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LOUIS FISCHER on *The Franco-Soviet Alliance*

The Nation

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Summer Fiction Number

Reviews by

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THE PRESIDENT quickly changed his tone about the Schechter decision of the Supreme Court. His first response was militant to a heartening degree, but over the week-end he regained his normal equanimity, and when asked at press conference about a constitutional amendment failed to hear the question. This is being interpreted as a change of front, and those close to the President say he is not contemplating a campaign next year on the constitutional issue. He is under the strongest pressure at this time from both right and left in his own party. The left believes the constitutional issue is the one to seize, and that the next campaign should be fought stridently for reform, for social legislation, and against the big interests which are given free reign by the Schechter decision. The right, and in particular the Southern reactionaries, are chilled by the anticipation of a proposal by the Democratic Party to curtail states' rights. Whatever the President may be planning, it would be good politics not to press the constitutional issue at this moment. It can mean little until the public begins to feel the absence of New Deal controls. The American Federation of Labor brings impressive evidence of immediate wage cuts and the lengthening of hours. One company, which had been forced by the NRA to make a wage restitution, not only has cut

wages again but is collecting the restitution by deductions from pay envelopes. If wage cuts are made on a national scale, as they are likely to be, the country will be quicker to see that constitutionalism is a technique of change, and will be ready for an amendment.

A GENUINE EFFORT is being made to explore the possibility of merging the conservatives of both parties into a new party. Conferences between Republicans and Democrats have been held at Washington, but without results so far. It is late in the day to organize a conservative (or constitutional?) party that could show strength by next year, but if done quickly it probably could shatter the solid South. The President's political advisers consider such a merger the chief danger to his reelection, but they do not expect it to materialize. For one thing the Republicans are not likely to share power with the Democrats on fair terms. Whatever the name of the new party, the Republicans would want to keep control, and the tory Democrats would have to trail along as recruits. Perhaps the President has stopped talking about a constitutional amendment in order to avert an early merger. If so, he could revive the discussion when it would be too late for the reactionaries in his own party to break away and take their state machines with them into a disguised G. O. P. Another political uncertainty is whether there will be substantial recovery in the autumn. Republicans would attribute it to the death of the NRA, but the Democrats with some truth would say it resulted from their spending policy. In better times the demand for constitutional reform would not stir up much enthusiasm among short-sighted voters. So the President will want to see first of all what business is like before he lays down the main lines of his campaign. He will take the course that in his excellent judgment leads to reelection. Whatever else he is, he is not one to see the truth, hold to it, if necessary suffer defeat for it, and let time vindicate him and bring his party the ultimate reward.

“NO CRISIS so grave has confronted our people” since the Civil War, Mr. Lowden told the grass-roots convention at Springfield. The crisis for him, however, did not arise from one family in six being on relief, or from the national income being less than three-fifths of its 1929 level, or from the refusal of the Supreme Court to permit the federal government to legislate nationally for labor standards and business controls. It was that the American form of government was being challenged. Mr. Lowden's own program of reform would not win away a single voter from the demagogues. He would balance agriculture and industry, restore foreign trade, and make room for the small business man. Vaguely he mentioned “injustices and hardships growing out of the machine age in which we live for which remedies will have to be found.” That was all. No other speaker was any more helpful, and if the country hoped to hear wisdom from the open spaces it must have been bitterly disappointed. The convention was almost pathetically devoted to looking backward. Now the stigma of reaction

becomes ineradicable from the Republican Party, since the purpose of the convention was to determine the line of campaign in 1936. The exaggeration of the President's intentions toward the Constitution, assuming he still has any, in the end will react against the Republicans. There is nothing un-American in amending the Constitution, and the codes of the NRA, far from being European, were an American improvisation concocted by business men themselves, chiefly to help themselves. But the NRA is not the issue; the issue is the possibility of dealing with national questions nationally. Seldom has a political convention been more unreal, or more passionate about it.

WITHOUT A QUORUM, and with a single vote against it, the House Indian Committee has tabled the Thomas-Rogers bill extending to Oklahoma Indians some of the benefits of the Wheeler-Howard Act. Apparently the pressure from local Oklahomans, who were to lose control over Indian property and the opportunity for further exploitation, sufficed to inhibit the House from discussing this measure. A further influence undoubtedly was the impression that the Indian Commissioner, John Collier, is a radical and therefore not to be trusted. Wide public interest in Indian affairs is too much to be asked, even though the Indian policy of this Administration is good to the point of being inspiring. Without public interest the exploiters have their opening. Founded on greed and narrow-mindedness, their case has had to be buttressed with downright prejudice of the meanest kind; hence the attacks on Collier. The fate of the bill is not settled. It still can be taken from the table by the committee, though this is unlikely without some expression of public interest. The Senate bill will get a hearing, and Oklahoma Indians, who came to Washington in great numbers for the House hearings, may have to make the pilgrimage once more if they are to enjoy the privileges of a collective life.

GEORGE N. PEEK'S spirited campaign against the trade policies of Secretary Hull appears to have come to an abrupt end with the announcement that the office of special adviser to the President on foreign trade would cease to exist on June 16. For more than a year Mr. Peek has utilized his post primarily for the purpose of sniping at Mr. Hull's tariff program. Believing that the wide use of quotas, exchange controls, and compensation agreements had destroyed the efficacy of tariffs as an instrument of protection, he urged the establishment of a foreign-trade authority to control all matters related to international commerce. He would have intrusted this agency with responsibility for encouraging exports, arranging for the importation of needed raw materials, settling exchange problems, and, where necessary, concluding direct barter agreements. In line with these ideas Mr. Peek attempted some months ago to arrange an agreement whereby the United States would trade cotton for German manufactured goods. News that such a project was being considered brought such a flood of protests that the matter was quietly dropped. Since then Mr. Peek has directed his fire chiefly against the unconditional most-favored-nation clause, claiming that the United States was greatly weakening its bargaining position by extending to other countries the concessions made in one trade pact without obtaining equivalent concessions in return. This battle has also apparently been

lost. Mr. Peek, like Mr. Moley, has discovered that Secretary Hull will brook no interference when in the heat of the struggle for a reduction in trade barriers.

THE ANNOUNCEMENT of an armistice in the Chaco is welcome news, even though many obstacles remain to be surmounted before peace can be said to be definitely in prospect. All that has been agreed upon thus far is a twelve-day truce in which neither side is to move from its positions. During this breathing-space negotiations are to be initiated looking toward the demobilization of both armies and an embargo on shipments of munitions. It has also been agreed in principle that the basic territorial issues underlying the dispute shall be left to arbitration. In case arbitration fails, as is expected, the problem will be turned over to the World Court for decision. Unfortunately, the chances that this will work out according to schedule are extremely meager. The Bolivian and Paraguayan Foreign Ministers are reported to be at loggerheads over practically all issues save that of the immediate truce. Nevertheless there are definite signs that both sides are wearying after six years of indecisive conflict, and the differences that once seemed so important may yet lose their significance. With wars looming in Asia and Africa, armament firms will be kept busy even if South America decides on peace.

PIERRE LAVAL'S success in forming a Cabinet, upon the third invitation within a week, appears to have allayed the French crisis at least temporarily. After the unexpected defeat of the short-lived Bousson government, four men were approached by President Lebrun with a request that they form a Cabinet. Two of these men—Laval and François Pietri—attempted to do so and failed. But by the time Laval made his second attempt the various parties were in a much more conciliatory mood. The Radical Socialists, who hold the balance of power, had first held out against any center or left government which would demand emergency powers. But after discovering that they could not find a basis for cooperation with the Socialists, they finally agreed to accept a Laval government on condition that the demand for special powers be drastically restricted. The general political orientation of the Laval Cabinet is thus practically identical with that of the ill-fated Flandin and Bousson governments. It has no assurance of stability apart from the fact that it is perhaps the sole alternative to political chaos, but the chances are now excellent that it will be allowed to exist through the summer before being forced to face the budgetary and other problems associated with France's determination to maintain the franc. Though the economic crisis remains disquieting, the political situation has been rendered considerably more hopeful by the surprising passivity of the various fascist groups during the recent Cabinet crisis. The striking gains of the Socialist-Communist united front in the recent municipal elections, together with factional difficulties on the right, are apparently indicative of a significant leftward trend in French opinion.

DESPITE THE ORTHODOX POLICIES of Herr Schacht, recent reports from Berlin speak of a growing fear of inflation in Germany. The chief cause of anxiety, apparently, is the complete mystery with which the Nazi government has shrouded the financing of rearmament and

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its works projects. No budget figures for 1935-36 have been published. The public has been told that taxes have been coming in "satisfactorily," but nothing has been said officially either about other types of government revenue or about non-budget expenditures. In a recent speech on Reich finances, the Finance Minister neglected entirely to mention the new army. While a substantial share of the cost of this body is apparently being met through "voluntary" contributions by business and professional associations, together with forced loans from insurance companies and savings banks, it is feared that at least part is being derived through irregular financial practices which are concealed from the public. In addition, the Reichsbank has created abnormal fluidity on the money market by its liberal policy of discounting work-creation bills. This, coupled with anxiety with regard to the future value of the mark, has led to a vigorous boom on the stock market. In spite of limited dividends and rising taxes, common stocks have increased approximately 15 per cent in value during the past six months and are now at the highest level since early in 1931. Large investments are also reported in real estate and commodities, while the disinclination to sell tangible goods has led to a further rise in the prices of certain foods. The average German, of course, is as yet unaware of the gravity of the situation, but it is to be doubted if even Hitler could hold power in the Reich if another inflation got under way.

BERNARD S. DEUTSCH'S refusal to attend the commencement exercises at Columbia University was a most effective protest against the high-handed action of the university in dismissing, without hearing, six students at the Medical Center for advocating pacifism and participating in anti-war demonstrations. City officials, and especially presidents of the Board of Aldermen, are not in the habit of defending pacifists, and so Mr. Deutsch's fine gesture is the more significant because of the excellent precedent it sets. President Butler, as usual, displayed Olympian caution. Asked whether or not he had received Mr. Deutsch's telegram of protest, he answered, "I won't say I have and I won't say I haven't." Pressed further by newspapermen to explain how he reconciled his alleged lifelong interest in peace with the dismissal of the pacifist students, he replied, "I have nothing to say about it. I don't read the newspapers."

EDWIN C. (ALABAMA) PITTS, the all-round athlete and star baseball player of Sing Sing, who has just been released after serving a part of his eight-year sentence for a hold-up, has become the chief subject of discussion in the sports world, supplanting even Babe Ruth. Johnny Evers, general manager of the Albany Senators, signed up Pitts for his team, but Judge W. G. Bramham, president of the National Association of Professional Baseball Leagues, has ruled that Pitts may not play with the team on the ground that organized baseball should not be "opened to ex-convicts." His ruling has been upheld by the executive committee of the association, and as we go to press, the Albany club has appealed the case to Judge Landis, supreme czar of professional baseball. Warden Lawes and several big-league players, including "Dizzy" Dean of the St. Louis Cardinals, have come out in support of Pitts, and we gladly join them. "Dizzy" Dean expressed our sentiments perfectly when he said that Pitts "should not have

to pay interest on his debt to society." Judge Bramham's ruling implies a criminological theory which would make suicide the only logical solution to the ex-convict's problem.

DISTINGUISHED-SERVICE MEDALS are generally awarded for extreme valor on the field of battle, and the medal recently presented to the Tennessee Electric Power Company by the Edison Electric Institute for "distinguished service to the public and the electric industry" is no exception. At first glance the service rendered might appear to be tainted with a slight odor of self-interest, since it consisted simply in a 33 per cent increase in the company's business. But we must not let the crude commercial aspects of the performance blind us to its essential valor, for this success was achieved in the face of the operations of the Tennessee Valley Authority and of a rate cut as well. In other words, the power company won an important engagement against its most dangerous adversary. But a battle, even if successful, always entails losses; in reaping its financial gains the Tennessee Electric Power Company surrendered one of the power industry's favorite weapons—its insistence that rate cuts and public competition ruin the business. Hereafter if that old sword is unsheathed, especially in the Tennessee Valley, one need only point to the record of the company to prove that a public yardstick is a real stimulant to business success. In fact, the more we think about it the more we wonder that the Edison Electric Institute did not decide to award its distinguished-service medal to the TVA instead of to the TEP.

NAVAL AND ARMY OFFICERS on active duty should be forbidden to write or speak publicly about international affairs unless in their official capacities they are interpreting the views of the government. Otherwise foreigners will read official importance into what may be sheer personal ignorance or prejudice. Rear Admiral Yates Sterling, Jr., commandant of the Brooklyn Navy Yard, in the *New York American* of June 9 gives a picture of the European situation which may express the ideas of Hitler, but does not, we trust, reveal those of the President. Though he writes with less sensationalism than Mr. Hearst likes from his contributors on this theme, Admiral Sterling finds Russia the chief obstruction to recovery in Europe, comments sympathetically on Germany's belief that it is the bulwark against communism in Europe, and anticipates the coming of a united front under Germany's leadership. "Russia has, to all intents and purposes," he says, "withdrawn a fertile and populous land of over eight million square miles in extent, with a population of 165,000,000, from the usual economic intercourse with the world. This has upset the delicate economic balance of Europe." This is a new interpretation of the depression; two years ago Russian "dumping" was one of the causes. It will strike the Russians with some irony after their meager success in borrowing foreign capital. Writing of the German dream to line up the world against Russia, Admiral Sterling concludes with the question: "In the guise of such a crusade, cannot one see the outline of a daring plan, not only for laying forever the ghost of bolshevism but for opening up the fertile lands of Russia to a crowded and industrially hungry Europe?" If that is how the European struggle looks to the Admiral, his superiors at Washington should send him some non-German reading matter. But whatever his opinions, he should resign from government service before airing them.

Japan Takes Another Step

Of all the chapters in the long struggle between Japan and China, the events of the past two weeks have been by far the most difficult to explain. Japan has not even attempted to justify its demand that Nanking hand over the whole of North China to its control. It has made a few vague references to China's alleged violation of the provisions of the Tangku truce with respect to the "demilitarized area," but none of these excuses will bear examination. The Japanese military authorities have never allowed the Chinese police force, set up by the terms of the truce, to function effectively in these areas. If conditions in the demilitarized zone have been unsettled as a result, as no doubt they have, it is because the Japanese have profited by that disorganization. The lack of established order has served as a pretext for constant pressure on Nanking, and has permitted Japanese citizens to defy Chinese law by establishing a series of opium shops which have served as a base for smuggling throughout the whole of North China.

From the beginning the exact nature of the Japanese demands have been mysterious. Enough has escaped the censor, however, to make it clear that Japan is now asking in North China almost exactly what it demanded in Manchuria immediately after the Mukden incident of September 18, 1931. The first demand is that all North China officials be "acceptable" to the Japanese military authorities. Since these officials have passed through at least two previous purgings, this seems a somewhat unnecessary formality—though it is possible that Yu Hsueh-chung and a few others may not have shown sufficient enthusiasm in carrying out Japan's mandates. A more fundamental demand is the withdrawal of all Chinese troops to south of the Yellow River. Should this be complied with, and there seems little doubt that it will be, the next step would almost certainly be the placing of Kang Teh on the dragon throne of his ancestors. This would not only make Japanese rule relatively secure throughout Manchuria and North China, but would give Japan an immense advantage in its struggle for mastery in Mongolia. The Mongols, more than any other group under the Manchu Empire, were steadfast in their loyalty to the Ching dynasty, and could easily be persuaded to renew their former ties.

The other demands are either subordinate to these or pure "face." It is difficult, for example, to explain why the Japanese should ask the dissolution of the Blue Jackets, Chiang Kai-shek's secret terrorist organization, unless it be that the Japanese military clique is determined to destroy even the appearance of Chinese independence in North China. The demand for the abolition of the official Kuomintang, or "Nationalist," Party belongs in the same category. While the Kuomintang has long since lost the qualities that its name implies and has become merely a rubber stamp for Chiang Kai-shek, Japan's move indicates a desire to wipe out even the memories of the great revolutionary movement of 1926-27.

Nothing would be more futile, however, than to seek in recent Sino-Japanese developments a clue to Japan's sudden incursion into North China. Just as there was nothing in the immediate situation in Manchuria in September, 1931,

to prompt Japanese occupation of that vast area, so there is nothing in the present situation to explain their invasion of North China. Nor is the true cause to be found in Japan's desire for additional territorial conquest. As in the Manchurian affair, it appears that the army is at loggerheads with the civilian authorities over the necessity of adopting forceful measures. The fundamental conflict within Japan between the relatively liberal civilian elements—backed by the powerful Mitsui and Mitsubishi interests—and the ultrapatriotic, semi-fascist military group has apparently not been resolved. The latest adventure may well be a device for reviving patriotic fever within Japan in order to strengthen the somewhat tenuous hold of the military clique. An additional motive for action at present, however, may be found in the growing anxiety in Japanese military circles over the threat of American air power. The new air base at Midway Island, the projected air service to the Philippines, and the reported development of bases in the Aleutian Islands have apparently convinced Japan that it must move quickly if it is ever to achieve its long-range ambition in China.

This last factor makes a reconsideration of American policy in the Far East imperative. Our stake in the Peiping area is several times as large as in the whole of Manchuria. If we allow the Open Door to be closed in this region, it can never be opened again except by war. Further indecision not only plays into the hands of the Japanese militarists but is likely to lead us into a conflict which no one desires. Now is the time for a careful appraisal of America's interests in the Far East, with a view to drawing up a balance sheet as a guide to policy. Possibly such a balance sheet would convince the American public that the best policy would be complete abandonment of our interests in the East. It might well show, on the other hand, that withdrawal is beyond the realm of possibility under a competitive profit system. In that case we must seek a means of safeguarding our interests without incurring the risk of war.

One point at least should be clear. Any attempt at independent action by the United States to restrain Japan, if strong enough to have the slightest effect, would turn the fire of Japanese wrath against us and involve a serious danger of conflict. This is true not only of strong diplomatic protests and threats of boycott, but especially of ill-considered displays of "strength" such as the recent naval maneuvers in the Pacific. Bullying tactics are sometimes successful, but the price of failure is catastrophe. If Japan is to be stopped short of war, that end can only be achieved by the joint action of all the great powers. Before taking any official position with regard to the Japanese occupation of North China, the Administration should approach Great Britain, France, and the Soviet Union in an effort to work out a program on which the four powers could cooperate. This may not be easy to formulate, but basically the interests of the four countries are the same. If they follow the example of Chiang Kai-shek and capitulate completely to Japanese militarism, they run a grave risk of being confronted with a militant Japanese Empire embracing virtually the whole of Eastern Asia.

MacDonald Emeritus

THE retirement of J. Ramsay MacDonald as Prime Minister of Great Britain marks the end of an experiment in democratic government which the British like to describe as their alternative to fascism. It brings to a close the so-called National Government, which set out to be the gathering of all "right-minded" people behind a concerted effort to save the country in a crisis. The crisis was the imminent danger to the gold standard. In retrospect this crisis now appears to have been as much one of nerves as of realities. Before the newly formed National Government could go to the country, Britain had to go off gold, so a mandate was sought in the election of 1931 on the ground that only a national coalition could produce a balanced budget and save British currency.

Had MacDonald been followed into the coalition by a substantial part of the Labor Party, the new government would have deserved the name national. But with better intuition than knowledge the Labor Party refused to trust the logic which impelled MacDonald to link hands with Baldwin. In a few months the refusal was amply justified. The nature of the economic crisis slowly disclosed itself as not being immediately catastrophic, and the new government became rule by the Conservatives masking under an untruthful name. MacDonald, from being a sincere patriot concerned to save the country, became a Conservative hostage, held up in front of the Tory party to keep its enemies from shooting at it. For nearly four years this disingenuous absurdity continued. Soon enough the spectacle of MacDonald shielding the Conservatives lost its magic, and the opposition let loose its ammunition at both him and his colleagues, with such devastation that the Labor Party, now represented by a bus-load of members in the Commons, probably will win well over 250 seats at the coming election.

MacDonald, his usefulness as a hostage gone, became a liability to the Conservatives, and has spent the last two years as discredited as any Prime Minister for two generations. The Tories wanted him out, along with his little handful of National Laborites. They wanted to call the government Conservative, and reap the full party reward. Baldwin, with great personal scrupulousness, refused to discard MacDonald and threatened to resign if the vendetta against the pathetic Labor leader succeeded. So, thanks to Baldwin's personal integrity, the national label has stuck, and the Conservative Party not only has been rechristened, but also has been slightly enlarged to take in the MacDonald Socialists (not very socialist) and the National Liberals (not at all liberal). That is, the Conservatives are now more like either of the two American parties, which see no inconsistency in having both right and left wings.

Baldwin will lead this "national" government to the polls, probably in October. Its victory is a foregone conclusion. The only opposition, aside from Lloyd George's handful of Liberals—now hardly more than a family group—is the Labor Party, and to vote for Labor would be to put in office men professedly dedicated to establish socialism in Great Britain. For this the "nation of shopkeepers" is not ready. Nor does the fact that it is about as flaccid

an aggregation of Socialists as can be imagined make the Labor Party more popular. Another factor in favor of the Tories is the rise of Hitler and the chaos of Europe, which has made a stronger policy of defense appear desirable. And the Conservatives, of course, are certain to gain from the happy, picnic-like memories of the Jubilee, and the fact that somehow the King belongs more to them than to any other party. But it will be surprising if Baldwin remains another full term as Prime Minister. His appetite for responsibility is not great, as he has borne more than his share. The appointment of Sir Samuel Hoare to the Foreign Office to displace Sir John Simon, "the worst Foreign Secretary in fifty years," suggests that Hoare is being groomed for the leadership, and that Captain Eden will become Foreign Secretary in a year or two. Sir John Simon goes to the Home Office, chiefly because it is harder for a man in British public life to lose a reputation than to make it. Also his handful of National Liberals are helpful as recruits. MacDonald remains as minister emeritus. It is doubtful whether he will be reelected from Seaham Harbor, as this is a coal-mining district. If defeated he will retire, leaving a big name but not a big reputation in modern English history.

Has Planning Failed?

TWO years ago the word planning was on everyone's lips. If there was any unifying concept running through the loose conglomeration called the New Deal, it was that some form of conscious control of economic activity was essential to save the country from chaos. Today, if we are realistic, we shall admit that planning has suffered a severe setback. The Supreme Court decision against the NRA came just in time to save that agency from ignominious collapse. Popular resentment against the AAA has been gathering momentum during recent months. Even the TVA appears to be making slow headway against the concerted opposition of vested interests. In the international field the world wheat pact—sole achievement of the London Economic Conference—has failed to weather the storm of unfettered nationalism. Controls have not yet been given up, but their value is increasingly called into question.

Does this mean that the orthodox economists were right in maintaining that the human mind is incapable of intelligently directing a mechanism as delicate and complex as our modern business and financial organization? There is some evidence to support this contention. But against it we have the unquestioned success of planning in the Soviet Union, where, after many errors and miscalculations, the national economy is running closely according to a unified program. We find, for example, that in the first four months of 1935 the production of Soviet heavy industry as a whole was within one point of the control figures, and that transportation—notorious as the weakest link in the plan—has finally reached its quota. Nor do we have to go to a Communist state to find instances of successful planning. City and regional planning are serving to lessen the anarchy of American urban development. Certain agencies of the NRA have proved so conspicuously valuable that they are being retained despite the invalidation of the codes. But while

planning has achieved a limited success in this country, large-scale government control over trade and industry has broken down. It has failed not only because of the restrictions imposed by an anachronistic Constitution, but because governmental regulation has interfered with the self-adjusting mechanism of the capitalist system. Countless instances could be cited in which apparently successful planning in one field has raised havoc in related fields. The disastrous effect of the AAA restriction program on both the share-croppers and the textile industry will serve as one illustration. Another is the obvious inconsistency between the Administration's tariff policy and its monetary program. Capitalism functions most efficiently when the economic structure is highly flexible—responsible to slight changes in supply and demand. Planning of necessity involves rigidity, and must ultimately lead to a type of economic system fundamentally different from any we have known in the past.

A primary objection to capitalist planning is that it tends to be anti-social in character. When a group of competitors are encouraged to get together and draw up regulations for their industry, as under the NRA, their interest naturally lies in finding some means of increasing profits, and the most obvious short cut is through some form of price-fixing or restriction of output. Even when the government steps in to demand certain minimum labor standards, the additional costs are saddled on the consumer. Much the same evil is encountered in the international field, where all the so-called producers' agreements have been concerned chiefly with price-fixing and limitation of production. The result is a system admirably contrived to stabilize poverty, but one which can scarcely be dignified by the term social planning.

Piecemeal planning of this type presents a greater problem of enforcement than would be offered by a broad, national program. Under the New Deal it has led to a multiplication of alphabetical agencies, duplication of functions, and a collapse of the enforcement machinery. To a certain extent the difficulty is the result of the cumbersome system of checks and balances which we have inherited from the "horse-and-buggy age." But it is primarily due to the essential anarchy of the profit system. Successful planning can only be achieved where unanimity of purpose is combined with a high degree of centralized control. Neither condition exists today.

This does not mean that the world is likely to return to the palmy days of *laissez faire*, or that the trend toward governmental regulation has been checked. Nothing is less probable. The modern effort to set up systems of planning is merely the latest phase of a tendency that has been developing for a generation—the tendency for economic groups to protect themselves against the rigors of free competition either by stabilizing existing conditions or by seeking governmental favors. Planning itself is neither social nor anti-social. It is a device which may be used to coordinate the activities of men in their common interest, or which may be utilized by private enterprise as an instrument of exploitation. The Supreme Court was mistaken if it thought it could bring back an eighteenth-century economic system by invoking laws which grew out of that system. The real issue is whether the modern trend toward planning can be diverted to social ends. An affirmative answer implies far more than a return to the NRA.

The Proper Study

THE proper study of mankind is man. In that famous cliché the most accomplished literary artist of an unusually literary age summed up what is the almost inevitable faith of a literary man. Perhaps, to be sure, his statement was a little more sweeping than it needed to be. The theologian, for example, may be excused for thinking that *his* proper study is not man but God, and it is just as well, perhaps, that other specialists should have found atoms or microbes more interesting than man. But literature—at least in the narrower sense of *belles-lettres*—is an enterprise founded upon the acceptance of Pope's dictum.

To say this is not to say that novelists, for example, have always or even usually been unaware of the forces outside man which help to shape his destiny. They have observed him not only moved by his own passions but also dying of the diseases which it is the doctor's business to cure, and frustrated by those social maladjustments which undoubtedly constitute the proper study of statesmen. Literature is, nevertheless, that department of description and expression and communication for which a man and his experiences furnish the theme. Its approach is through him, its ultimates are his deeds or his feelings, and it ceases to be literature properly so called whenever its emphasis is so shifted that its chief concern ceases to be the description or communication of his experience and becomes instead an account, for example, of the moral principles which his conduct illustrates, the social structure of which he is a part, or the diseases of which he dies.

Let us begin with the *reductio ad absurdum* of the last phrase. It is obvious that there could be no such thing as a medical novel in the sense that it implies. A work of fiction might well have a sick man as a hero; its theme might be disease and the extent to which both the outer and the inner life of the hero were dominated by his illness. But its emphasis would still have to be upon what it feels like to be sick, and in so far as its chief concern was not that but either the nature of the disease itself or the methods which should be taken to cure it, just to that extent would it cease to be a novel and become something else—whether that something else happened to be a treatise on pathology or a hortatory pamphlet devoted to urging the need for proper sanitation.

Nothing is, of course, more characteristic of the contemporary novelist than his determination to study man in his social and economic setting. Perhaps the distinction between the successful and unsuccessful attempt to do that depends ultimately upon the extent to which the author succeeds in maintaining the literary emphasis—upon the extent, that is to say, that his interest remains primarily in men who are healthy or sick rather than in health or disease as subjects to be studied through their effects upon man. However important morality, pathology, or economics may be, each is a subject far more satisfactorily studied in treatises founded upon authenticated fact than in works where invention is a virtue; and the great novel will probably continue to be the novel which communicates to the reader its author's intense interest in human experience for its own sake.

Issues and Men

Colonel Lawrence

MY sole memory of T. E. Lawrence "in person," that extraordinary Englishman who survived a hundred combats to die as a result of a traffic accident, is of meeting him at the Peace Conference in Paris in his magnificent Arab robes—looking for all the world like an Eastern potentate. The first Arab garments he donned were wedding robes sent to King Feisal by an aunt as a suggestion that he undertake matrimony. They could not have become Lawrence better than those in which I saw him. There was something of the commander about him which one felt deeply even at the moment that his speech and smile inevitably suggested the Oxford undergraduate—instead of the man who had made a more remarkable contribution to the military art than anyone else in the entire World War.

As long as the story of that struggle is still being written, the romantic mystery of Lawrence will be studied, rewritten, reworked until it grows more and more into mythology. Certainly we know no explanation for his personality, nor can we plumb the baffling mystery of his life and many of his actions. We do not know why, discarding rank and all the further honors which lay so easily within his grasp, he enlisted in the air force as Private T. E. Shaw and then came out of that service to settle down in a Wessex cottage in the country of Thomas Hardy. There he designed a boat and doubtless led in addition that life of incessant reading and meditation which was naturally his from earliest boyhood—a life interrupted only by wild dashes through the country on his motor cycle. Once he broke his arm and twice he had narrow escapes, only to die in an effort to save the life of a boy on a bicycle—he who had decreed the death of many thousands!

It may be, as Winston Churchill has said, that England could afford less well to lose him than any other Briton. But that presupposes a new convulsion of mankind, with new and peculiar opportunities for Lawrence in that welter. One may question it because the extraordinary thing about this man was that he had prepared himself for his war to free the Arabs from the very beginning of his schoolboy life, as if he knew in advance what lay before him. Certainly had some power or authority desired to have a man in readiness for the emergency that arose it could not have picked anyone better fitted by temperament and mental aptitude or given him a better course of training. He did an amazing job and he owed uncommonly little to others, to favors received, or to fortuitous circumstances. He reasoned his campaign out, seeing the problem with the utmost clearness from the moment that he took hold of it, and developed a new and amazing art of irregular warfare, to which he adapted with extraordinary skill the weapons of our up-to-date "civilized" warfare. So thoroughly did he think things out that there never was a time when he did not have an alternative plan up his sleeve, and in every plan he thought less about the use of his purely military equipment than he did about the imponderable factors of the people with whom he had to deal. His amazing knowledge of their language,

customs, and even their modes of thought furnished him with his underlying strategy and made him their leader.

Remarkable as his military achievements are, I cannot overlook the ruthless slaughter that frequently accompanied them. It is all very well to be a romantic and glamorous hero and dazzle the imagination by feats of incredible daring and almost inhuman endurance. But a good deal of that glamor wears off when one reads his own account of holding up trains and then having his irregulars get out of hand and butcher defenseless prisoners, even women and children. He did not want to kill living creatures. His aim, as Liddell Hart points out, was to "kill" railway trains and stations and engines and roadbeds and above all bridges, to harry communications so that the enemy was never at rest for a moment. How easy it is to forget the price of the rise to fame of brilliant commanders of men!

One phase of Lawrence's life, however, does intrigue me greatly. He was an untrained soldier in that he never wore a uniform until he put on a lieutenant's dress after the war was well under way. True, his reading, as I have said, was along military lines, and the study of fortifications was always a passion with him. But he had never carried a musket or drilled a man. Naturally he suggests a parallel with one of the greatest military geniuses of our own Civil War—Nathan Forrest. Forrest was practically uneducated, could hardly write, and had never read any military books, yet there are those who think that no Northern or Southern general equaled him in ability. He, too, was an irregular; he, like Lawrence, valued mobility above all else; and his principle, too, was never to leave the enemy in peace or give him the faintest idea where he would strike next. Liddell Hart comments on the fact that Lawrence, who had never seen the inside of a military academy, made the most original contributions to the development of modern warfare, while Foch, the fine flower of the educated regular officer, and his associates could do no better than to mire the armies in the West until Europe was on the point of complete collapse. Is the art of war so easily learned that men who have never prepared themselves for it can practice it as well as the experts? Or is there some inborn military genius which lies completely hidden within a man and comes to the front only if the opportunity offers?

There is one other point I want to make in regard to Lawrence: it is that his life gives us fresh proof that the profit motive is not needed for the development of some of the world's most remarkable characters. Lawrence not only was uninterested in fame and title and honors; he apparently utterly despised them, and no financial return on his efforts had any importance for him. It was enough for him to serve and think and read.

Oswald Garrison Villard

The Franco-Soviet Alliance

By LOUIS FISCHER

Moscow, May 19

FRANCE and the Soviet Union are allies. This is not the official version, but it is the truth. They are pledged to rush military aid to each other in case either is attacked. In pre-war days an alliance was usually supplemented by a secret treaty outlining the division of territorial booty after a war. It was always a closed affair and usually directed against some power or powers. But the Franco-Soviet agreement of mutual assistance which constitutes the new alliance is open to Germany, Poland, and any other nation. Indeed, Germany and Poland have been repeatedly invited and urged to join, but so far they have refused. As a matter of fact, the Soviet-Czecho-Slovakian pact of mutual assistance, signed May 16, 1935, enlarges the Franco-Soviet alliance into a triple alliance which could just as easily become a Quadruple Entente, and so on. Fully conscious of the hypocrisy of many official pacifist declarations and mindful that the Soviet government too is playing practical international politics, I do not hesitate to say that the Franco-Soviet alliance is an instrument of peace in its intention and in its effect. It has no aggressive motivation and could have none, for France cannot possibly hope to conquer more European territory or to strengthen further her position on the Continent, while the U. S. S. R. has no need of additional territory. These two nations have united in the face of a common menace. The Franco-Soviet alliance is solely defensive.

The French opponents of this agreement have argued that it places heavier obligations on France than on her partner. They argue: If Germany attacked the U. S. S. R., France would be expected to aid the U. S. S. R. by invading Germany. She could do this because she has a common frontier with Germany. But if Germany attacked France, Russia could not be of much help because she has no common frontier with Germany. The easiest answer is that since Germany has no common frontier with Russia she is less likely to attack Russia than to attack France. She would have to violate Czecho-Slovakia and Rumania if she took one route, and Poland or the Baltic countries, Lithuania and Latvia, if she took another. All the nations named here were to have been included in the Eastern European Regional Pact, and this explains why Stalin and Laval, having concluded the alliance, stated after their interview in the Kremlin that they would continue their efforts to expand it into an Eastern Locarno. The Franco-Soviet alliance is insufficient if it remains exclusive or bipartite, and its real task will have been accomplished best if it forces Germany to enter the family of nations which pledge themselves to march against an aggressor.

Knowing, however, that Poland and Germany, for their own sometimes unintelligible reasons, have scruples against undertaking to march against an aggressor, Stalin and Laval suggested a compromise: Poland and Germany would be asked merely to refrain from assisting an aggressor. Surely this is very little to demand of a government which really seeks peace and which does not expect to become an ag-

gressor itself. The new Stalin-Laval formula, accordingly, has put Berlin and Warsaw in an embarrassing position. But that apparently does not matter much to them.

Even if only Poland accepted this formula, an attack on the U. S. S. R. would be almost definitely precluded. For Germany would hesitate to take the offensive against the Soviet Union single-handed if she had to cut across neutral or hostile lands as well. Could this possibly be the chief reason that Poland has hitherto rejected the Eastern Locarno? Poland has it within her power to eliminate the threat of war in Eastern Europe.

Poland and Germany look askance at the Franco-Soviet alliance. It is easy to understand Germany's objection to a step which unites the two strongest Continental powers. But why Poland? Warsaw, we are told, believes that the alliance would require Russian troops to march through Polish territory in order to aid France against Germany. But what are the facts? In the first place, if Poland joined the mutual-assistance alliance, such a necessity probably would never arise. In the second place, if and when the necessity arose, the Russian air fleet could take other routes to Germany—through Latvia and Lithuania, or through Rumania and Czecho-Slovakia. It is significant that on the day the Soviet-Czech agreement of mutual assistance was signed, an understanding was also reached regarding a Moscow-Prague civil airline via Czernovitz. Poland need not become a battlefield if she does not wish. She is more likely to see fighting if she takes sides against the U. S. S. R. In the third place, this is not Poland's real objection. The truth is she is afraid that the new Franco-Soviet relationship robs her of all value to France and thus puts her at the mercy of Germany, whom she befriends yet distrusts.

In case of a war in which Poland joined Germany as an aggressor, Great Britain would be faced with the inconvenient alternative of opposing anti-Polish sanctions at the League Council session or of helping to apply such sanctions. To avoid either of these choices, England might use her good offices to persuade Poland to enter the system of collective security and to accept the Stalin-Laval formula. England has already made an important contribution to the cause of European peace, for Sir John Simon's statement in the House of Commons on May 2, 1935, makes the Franco-Soviet alliance real. "If Germany attacked Russia," he said, "and, in view of the Franco-Russian treaty of mutual assistance, France went to the assistance of Russia by attacking Germany, the Locarno treaty did not put this country, in those circumstances, under any obligation to go to the assistance of Germany." I regard this as one of the most significant political declarations of the post-war period. By the terms of Locarno, England, Germany, France, Belgium, and Italy promised to assist one another against an aggressor. Locarno was the first pact of mutual assistance. Now if, in pursuance of the new Franco-Soviet alliance, France invaded Germany in order to weaken a German push against Russia, France would be an aggressor.

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She had attacked Germany without herself being attacked. In that case, Locarno provided that England help Germany against France. But according to Sir John Simon, England would not do this. His words, therefore, enable France to carry out her obligations under the alliance. They give the alliance meaning. Sir John's stand is the direct result of Anthony Eden's conversation with Stalin.

But how could the British government explain this interpretation of Locarno? The answer is simple: the text of the Franco-Soviet agreement of mutual assistance is so carefully and cleverly interwoven with the text of the League of Nations' Covenant that if France attacked Germany in order to help the U. S. S. R., she would actually be doing it as much in pursuance of the Covenant as of the agreement. And England, as a staunch member of the League, could not very well interfere if France acted in fulfilment of an obligation under the League Covenant. The Franco-Soviet agreement, however, could not have been dovetailed with the Covenant if Moscow had not previously joined the League. The agreement was conceived before the Soviets' adherence to the Geneva body and it partly explains that adherence.

Sir John Simon's statement reflects a better relationship between London and Moscow. It was particularly acceptable to the British because it reduces their Locarno commitments. But its main effect is to give France a free hand if Germany starts a war. It is thus a step toward the pacification of Europe, for Germany may not feel able to cope with France as well as Russia, and may consequently keep the peace longer. Yet since England allows the League Covenant, and hence the Franco-Soviet alliance, to take precedence over Locarno on the ground that Germany will have committed an immoral act by taking the aggressive and infringing upon the Covenant, it would seem that England has a moral obligation to assist the attacked country.

Be that as it may, the fact remains that with England's cooperation the Franco-Soviet alliance has become a sobering force in European affairs. In the present complicated European situation governments respect only vigor, determination, and strength. The Franco-Soviet treaty embodies all three, and it has consequently not been without its effect in Berlin and even more in Warsaw. Pious resolutions are answered with editorials, and one firm speech provokes another. But the pooling of armed strength against a potential aggressor may mean that the aggressor must have at least twice as many armaments, and that creates economic and political difficulties.

The joint communiqué about the Stalin-Laval-Litvinov-Molotov interview in the Kremlin stressed Russia's and France's interest in each other's armed strength. "In the interest of peace," it stated, "these [two] governments are obliged in no way to weaken their weapons of national defense." Perhaps they may be obliged to strengthen them. The alliance would therefore logically imply French technical assistance to the Red Army, and realists abhor a divorce between logic and fact. But Laval might easily have argued: "You Bolsheviks want us to have a strong army. That is the only sense of the alliance. And yet your friends, the French Communists, agitate against the French army and try to undermine its morale." To which the official communiqué of the Kremlin conversations replied: "In particular, Comrade Stalin expressed his complete understand-

ing and approval of the policy of national defense pursued by France with a view to maintaining her armed forces at a level corresponding to the requirements of her security." The Russians have a proverb: "When you say A you must also say B." The Franco-Soviet alliance is A. This admonition of Stalin's to the French Communists to lay off the French army and stop their pacifist propaganda is B. Laval returned to Paris with what he thinks is the scalp of the French Communist Party. This is the big achievement of his Moscow journey. In view of the Communist attacks on him at the recent municipal elections, it is a great personal as well as ideological triumph. The French bourgeoisie will be especially grateful to him. What feelings Stalin's statement will arouse in the ranks of the French party and of other foreign parties may be guessed. Stalin, however, has the courage of his consistency.

Moscow long ago realized that the interests of the world revolutionary movement must be sacrificed to the interests of the Soviet Union as a power. The Bolsheviks say: "The U. S. S. R. is a workers' state. The Franco-Soviet alliance gives it peace and the possibility of establishing socialism. We appear to be playing capitalism's game by throwing the Communist International to the wolves. Actually the capitalists are playing our game by protecting us against the armed attacks of an aggressive fascism. If the foreign Communist parties must suffer from this relationship they should understand that in the end the cause of revolution will be served best by serving the Soviet Union first." But suppose Moscow signs agreements of mutual assistance with England, Rumania, Poland, and Italy. The Franco-Soviet alliance may prove to be a turning-point in the history of Europe and in the history of the world Communist movement as well. Laval learned in Moscow that the Red Army is much stronger than his experts on the French General Staff knew. He also learned that the U. S. S. R. can give France other than military aid.

For a Child

By IRVING FINEMAN

I tell you this to your bright sweet face:
Our world is a most precarious place.
Let others teach you to long for a surety;
I will train you to know and accept insecurity.
Since you cannot keep life inside a neat fence
You will learn to lean on impermanence.
You will cherish love and prize all beauty
Though it break your heart and end in duty.
You will not fear ecstasy's turn to disgust.
You will walk like a lion after crawling in dust.
The ultimate weakness will make you more strong.
You will say: What was right is now become **wrong**.
You will sow for joy and reap in sorrow
But never surrender your wish for tomorrow.
You will take delight in the indrawn breath
That gives you life which leads to death.

I want to wean you from the womb.
Come out, my child, of that warm dark room.
You will not find its like this side of the tomb.

Soft Pedal at the SEC

By RAYMOND GRAM SWING

Washington, June 10

THE sincerity of the New Deal stands or falls by the administration of the Securities Act. Here is a work of reform demanded by the entire country and promised with all solemnity by the President. The Securities and Exchange Commission is more than an instrument for the administration of a law, it is a pledge to American investors of a new order of truthfulness, hence of safety. The SEC has made many decisions since it was established, and it would be impossible to devise a generalization covering them all. But its most fundamental decision was in the Northern States Power case, and this indicated a broad line of policy. Both the case and the policy are subjects of acute private controversy, and deserve much wider discussion.

Made early in the commission's history, even before its members were confirmed by the Senate, the Northern States Power decision was arrived at by a three-to-two vote by the commission and was followed by dissension to the point that the chief of the registration division resigned. Ferdinand Pecora and Judge Robert E. Healy voted against the ruling. Pecora soon after resigned to become a justice of the New York Supreme Court. His disappearance from the work of safeguarding investors may or may not have been due specifically to disappointment over the Northern States Power decision and its implications. He had been offered the judgeship before the case was decided. Certainly he did not like the way things were going. He saw that he was not going to be chairman of the commission, which he thought had been promised, and the judgeship fulfilled a lifelong desire. It was a pleasant and convenient exit.

The ruling has never been published. The majority opinion was written by James M. Landis. At first the intention was to publish both the majority opinion and the dissent. Mr. Pecora, by resigning, was relieved of writing his dissent. Judge Healy's dissent and Mr. Landis's opinion ought to be available, and a press release of the commission of November 21, 1934, promised early publication. But the promise was not kept, and one must conclude that the SEC does not court public discussion of this crucial case. In Washington the decision is still being passionately discussed. Did the SEC "pull its punch" in this case? Does Landis's opinion fulfil the promise of reform made to the country? Was the decision an assurance to Wall Street that the SEC after all was going to be easy to work with? And was Joseph P. Kennedy made chairman as a pledge to this effect?

The rights and wrongs of the Northern States Power case are not too technical for the layman to form his own judgment. Here was a utility subsidiary which asked the commission for authorization to float a \$10,000,000 bond issue. In its prospectus it supplied a balance sheet which showed an earned surplus. In other words, the balance sheet shouted to the investor: "Lend us your money, we are earning enough to pay it back." Appended to the bal-

ance sheet was the auditor's report which gave an appraisal of the company's statements, this being required by the rules of the SEC. In a recondite way the auditor revealed the truth about the Northern States Power Company, and it was an unpleasant truth. He gave the information that the company had previously issued bonds at a discount. To repay these bonds at par it needed to lay aside more money from earnings than it had received from the bondholders, and this it had not done. Instead, it wrote up its capital assets by revaluing its property, and then it met the amount of the bond discount out of this write-up. If it had laid aside actual earnings—to which bondholders were entitled—the earned surplus would have been less, and the subsidiary would not have been able to pay \$1,100,000 in dividends to the parent company. But the earned surplus was not stated to be less, and the new investor was being asked to buy new bonds on the basis of a surplus which was not truthfully represented.

The question the SEC had to decide was whether it should approve the prospectus with the misleading balance sheet, or whether it should require that the balance sheet show the facts revealed in the auditor's report. To the layman this may appear to be a simple issue. If truth in prospectuses is to be the new rule in Wall Street, why not tell it in the balance sheet? But the commission, by a majority, decided that it was enough to have the facts in the auditor's report, and that the balance sheet need not include them. The auditor, in his report, did not say in so many words that the balance sheet was incorrect or untruthful. He said that there was an alternative way of presenting the facts, and that if the bond discount were met out of earnings, the surplus would disappear and the earnings over a ten-year period would be less. That does not imply that the bond issue was not safeguarded, for there were capital assets enough. But if the balance sheet had been drawn in a more truthful way the new issue would not have appeared so attractive to investors.

Now the right of a company to meet a bond discount out of a capital surplus is not recognized by auditors of the highest standing. Hence the layman may be astonished to learn that this question of telling the truth in balance sheets is highly controversial. What the majority of the SEC believes is that an investor should not trust a balance sheet anyway, should not expect it to be clear and truthful. Its doctrine is that no balance sheet can be guaranteed, since into its composition go scores of highly subjective decisions, in which a company will state its facts to suit its own purposes. If the investor wants protection he should read the auditor's report. If he finds it difficult to understand the technical verbiage and follow the fine print of the auditor's report, that is his misfortune, and he had better not undertake to invest his own money. Even if there is a simple fact, like the write-off of a bond discount, the majority of the commission believes that it need not go into the balance sheet, for it cannot there be properly explained and criticized. It should be in the auditor's report, since it is better

to have the explanation and criticism than to have the plain figure of a correct surplus. For if it is correctly stated in the balance sheet, the auditor might not have occasion to explain it. The majority felt that there was more truth for investors if the truth were left out of the balance sheet, since this meant getting the auditor's analysis.

The layman may be pardoned if he is perplexed by such an argument. Is there a choice here at all? Why not tell the truth in both places? This may be a layman's question, and completely foolish. At any rate the commission did not hit upon this way out. It ruled that the Northern States Power was to be permitted to publish an unreliable balance sheet, which simply meant that the investor, if he wanted safety, had to learn to read fine print and technical language and draw his own inferences.

The Northern States Power case must not be taken as a solitary decision. It came at a time when major lines of policy were being drawn. It is related in detail because it best illustrates what the commission was doing in a broader way. It was only a matter of days after the decision that it adopted Form A-2, on which companies applied for registration of new securities. This replaced Form A-1, as used by the Federal Trade Commission, which undoubtedly was too detailed and involved and needed to be simplified. But A-2 was more than a simplification; it was a relaxation. For instance, it did not require a company to analyze its surplus for more than three years. Now a surplus is a historic affair, and needs to be told in its entirety if it is to be really revealed. Not only were corporations freed from telling all; they were absolved from stating the original cost of their properties. Companies also were required, in revealing chief shareholders, to name only those owning 10 per cent of the stock. It would give a better picture of control to name, instead, the ten largest shareholders.

A relaxation also took place in the rules laid down for companies applying for a listing of existing securities on exchanges. This came in Form 10, and it is doubtful whether the requirements of the SEC make for as much candor as the regulations already in force by the better stock exchanges. One minor advantage is that the information given the SEC is public. But companies in this category now need to tell the truth about their balance sheets only for a single year, and need make no analysis of their profit-and-loss account and their earned surplus for a longer period. This means that the guaranty of acceptance by the SEC is of hardly any value to the investor.

This is a résumé in abstract of the tenor of the SEC's policies. But nothing is so abstract as all that. The SEC is composed of human beings, who, in deciding questions, are (is not the Supreme Court also?) somewhat affected by the pressure of the moment, somewhat thinking of future effects. What was the position of the commission at the time the decision was made? What might be its ultimate effects? If Northern States Power had to change its balance sheet, so would a great many other companies. They would not only have to straighten out this matter of discounted bonds, since the write-off of bond discounts has been a frequent practice of "respectable" companies, but overhaul their balance sheets in other ways to make them conform to the new standard of truth. To the layman this might seem a wholly desirable process. It must be recalled that at the time Wall

Street was peculiarly hostile to the Roosevelt Administration, security issues were at a standstill, and there was in full effect a "strike" of capital. The current theory was that recovery depended on the capital-goods market, and unless the capital log-jam could be broken, business men would not borrow money for plant replacements and expansion. Any ruling made by the SEC which reflected on the honesty and trustworthiness of balance sheets would retard new issues and so prevent recovery. That may have been a factor which consciously or unconsciously weighed with the majority of the commission. At least it would have been natural for them to ask themselves whether it wasn't important to appease Wall Street and break the log-jam, just so long as the truth was not suppressed. And if they asked themselves whether they were serving their first purpose, protecting the investor, they could lull their qualms with the knowledge that the investor would be safe if he read and deciphered the fine print of an auditor's report, and learned not to trust a balance sheet.

There was still another factor. The Administration itself was most anxious that nothing should be done by the SEC to increase the hostility of Wall Street. By the Administration I mean the President and Secretary Morgenthau. Let no one think because Mr. Morgenthau is the President's right-hand man and his highly personal choice for the head of the Treasury that he is a financial radical put there to reform Wall Street. Secretary Morgenthau was letting the commission know that it must do nothing to frighten Wall Street. And in this the President heartily and vocally concurred. The days of talking of "money changers" and of hounding Wall Street were over when the Securities Act was passed. After that the President became engrossed with the need for recovery. To have been consistent he ought to have appointed either Mr. Landis or Mr. Pecora as chairman of the commission, and it should have gone full steam ahead to safeguard the investor in every conceivable way. Pecora, as I have said, thought he was promised the chairmanship. Landis also thought he was going to get it. Pecora had been the great prosecutor in the banking investigation; Landis had been one of the authors of the Securities Act. Either appointment would have been an assurance to the public that the spirit which gave birth to the act was going to administer it. Instead the President appointed Joseph P. Kennedy. Those in Washington at the time will long remember the groan that was heard throughout the New Deal army when this was done. That was early in the day of compromises, and the army had not been so frequently tantalized by its commander-in-chief. Kennedy's appointment, it was plain, if not a demonstration of affection for Wall Street, was at least a token of good-will. The fact of his selection spoke the soothing words: no danger. That as much as anything was what made a Supreme Court judgeship in New York appear so desirable to Pecora.

The President wanted a safe and sane commission. He and Secretary Morgenthau kept insisting that nothing aggravating be done. And in this atmosphere the commission was faced with the application of the Northern States Power Company. I do not say that Mr. Landis, who wrote the majority opinion, was obeying orders from "the skipper" or from Morgenthau, for I am sure he was not. But one is entitled to ask whether, if the atmosphere had been dif-

ferent, if the crusade to shield the investor from untruth by Wall Street had still been on, and the President had been pressing in the other direction, he would have written the identical opinion. The decision which he wrote puts on the soft pedal. The music may be the same, but it is not so forceful. And if tone-deaf investors do not hear it, that is their lookout.

A further word is offered in extenuation of the commission by its friends. It is that the task of the SEC is first of all to train Wall Street to work with it, and that after Wall Street is broken in, the commission can put on the screws. Some of the important places in the SEC are filled with first-class men, capable of administering the law in the spirit in which it was conceived. They have been planted with foresight to be ready when the time comes. There even is a program: Kennedy is to go when his work of accustoming Wall Street to the new machinery is finished. Presumably Landis will take his place. Ben Cohen, another author of the act, is available for one of the vacancies, and ultimately the New Deal crusading spirit can reign as the public thought it was going to reign from the outset.

That is, all this will happen, if crusades can ever be revived after having been initially compromised.

The SEC has done a great deal besides rule on the Northern States Power case. Much of its work has been useful to investors. Among the benefits are its decisions to (1) force investment trusts to tell what they are carrying in their portfolios; (2) require the publication of salaries and tradings of company officers; (3) require companies to revise over-optimistic statements; (4) bring about reorganization of the New York Stock Exchange; (5) require the presentation of a consolidated balance sheet in a prescribed form by corporations; (6) require the registration of large dealers in over-the-counter securities.

The public must decide whether these reforms offset the decision in the Northern States Power case and what it represents in policy. Probably the investor will think that he should have these reforms and a different ruling in the Northern States Power case as well. He cannot escape the conclusion that, despite the SEC, he is not being told what he is entitled to know by corporations, and that a certificate of the SEC still is not a guaranty of the full truth.

The Quintuplets Entertain

By LEE B. HARTSHORN

ON their first birthday the rosy little Dionnes splashed happily in their bath, and the waterproof mike carried their splashing and squealing to two continents of listeners. Outside the high fence that guards the Dafoe Hospital from the public a mixed crowd got post-broadcast glimpses of the famous five. The Honorable David Croll, Ontario's Minister of Welfare and sponsor of the bill that made the quintuplets "wards of the Crown," gowned in white, posed for the movies with one baby after another in his arms. Then the little French Canadian girls in faded gingham dresses and worn-out shoes peering through the fence saw their five little neighbors carried off to bed. "Ah, less mignonnes, les petites roses!" they cried.

Visitors from nearby towns, their big ears waiting, reporters and photographers from Eastern cities made up most of the crowd. Mme Ben Labelle and Mme Alex Legros, the midwives who helped bring the "quints" into the world, stood shyly at one side. They wore their best clothes, they had \$50 in their pockets given them in honor of the day, but they did not enter the hospital in company with the government, the Red Cross, the guardians. Other *habitants*, some in their Sunday best, some in overalls, lingered self-consciously around the edges of the crowd.

Across the road Oliva Dionne, the babies' father, worked steadily on the new porch of the old frame house which is already a landmark for thousands of touring motorists. That meant he would stick to his refusal to let the government build him a new big house, as it had recently offered to do, with new barns for a complete restocking of his farm, and that he would not yield to the showman who offered to replace the house and pay Papa Dionne \$10,000 a year to let him exhibit the quints' birthplace. He and Mrs. Dionne and the older little Dionnes scorned the festivities across the road and refused to accept a radio that

they might listen to the voices of their own babies.

Mrs. Dionne sat inside with guests from the Society of French Canadian Women, who had brought her flowers, and with a sob sister from New York, to whom alone she had "promised" to tell the story of her life. Leo Kervin, Oliva's manager, wandered between living-room and porch, persisting in his advice that they scorn government offers and hold out to get the babies back. Mrs. Dionne listened rather skeptically. Rose, the seven-year-old, was upstairs watching the party from the window.

At Corbeil, a few miles up the road, center of the parish in which the Dionnes live, Father E. T. McNally emphatically said nothing on the quintuplet controversy. He is wiser than Father D. Routhier, Oliva Dionne's first manager, who, when the babies were two days old—blue little things, scarcely alive—advised the father to sign a contract to exhibit them at the Century of Progress exposition. Oliva Dionne was to get 23 per cent of the profits and the priest 7, but the government stepped in and the contract went no farther. Father Routhier, successful church-builder, hoped to build a church in Corbeil. He was transferred to a parish far to the north.

The Empire Express, transcontinental Canadian Pacific train, stopped at Corbeil for the first time since Christmas to leave gifts, now, as then, for the quints. But Corbeil nourishes a just resentment that Callander has so far got most of the credit—and the trade—incidental to quintuplets. Callander, at the other end of the loop, is repairing its roads, building some wayside refreshment stands, painting its posters to read "Home of the Quintuplets." North Bay, a city of 20,000, a dozen miles away, plans four summer conventions that may leave \$50,000 in the city.

Nurse Louise de Kiriline smiled rather sadly at her little charges, knowing that in two days she would be away

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on "indefinite leave," relieved of the antagonism that has grown up between her and the parents but homesick for the babies. An exceptional nurse, with no fault except a blunt manner, she had hoped to achieve a harmonious working arrangement with Mrs. Dionne. But one spoke in terms of science, the other in terms of "le bon Dieu." Nurse Yvonne Leroux plans to stay on, but aside from her delight in the babies can expect only a cloistered and limited life. The hospital is a sanitary glass cage for the babies, and for the nurses it has become almost a prison. Partisans of the Dionnes have watched their comings and goings, and have frequently criticized them, to such an extent that the nurses seldom go out and practically never entertain in their own hospital home. A provincial constable who has guarded the gate since the kidnap threat sighed with relief on the quints' birthday when he learned he would be transferred and his term at the hospital ended.

Everybody loves the babies. They are healthy, happy, and beautiful, and their living is a scientific achievement. They are Midas babies and everything they touch turns into gold. Their fortune, estimated now at almost \$200,000, undoubtedly will reach millions by the time they are young ladies. Practical business men compute their value in terms of indorsements not yet suggested—foods, clothes, cosmetics. Their birth has been called the "Callander bonanza." Father Routhier, the church through him, and Oliva Dionne were going to cash in first. The contracts of a year ago would have given nearly \$125,000 to the promoter and about \$50,000 to the parents. To the babies, nothing.

The parents' dilemma, distorted in the hackneyed terms of tear-jerking writers, is comprehensible. They have known only extreme frugality all their lives. They believe in miracles, in the church. They neither know nor trust the outside world. Science means nothing to them. Their code is a simple one of obedience within the family and the church. They believe their babies are theirs to protect and to control, just as their cows and pigs and the profits therefrom belong to them. The effect of much of the publicity and negotiating has been to belittle them and their background, and their feelings have been hurt because the simplicity of their lives becomes spectacular in the light of contrast. It is also true that their home is not the typical French Canadian picture—the white-washed log house, the kitchen scrubbed white with sand, the neat garden, the well-pruned orchard that one sees along the Corbeil road. It is dingy and down at the heel. With people, scrupulous and otherwise, coming at him from all sides offering money, how could Oliva Dionne be anything but confused? The first contract is a black mark against him, but Father Routhier was his manager, and Oliva always listens to his priest.

The church has kept its skirts clean since the Routhier *faux pas*. Priests who have advised the Dionnes or criticized the present set-up have acted individually. The Dionnes want nuns to care for their children; the guardians are willing, but the nuns approached on the subject have refused on the ground that their rules forbid. The guardians have also made it clear that the doctor must be in charge. While the government piles up money for five young Catholics, the church presses other matters, such as lower taxes on parochial schools.

The provincial government is doing well by the quints, has excellent plans for them and their parents and brothers

and sisters. Inevitably, however, it is using the quints for good-will publicity. David Croll, brilliant young member of the Ontario Cabinet, inspired by the quintuplets, has launched a successful "Adopt a Child" campaign which other Canadian provinces are emulating. In three weeks the campaign found homes for 800 orphans.

Emerging reassuringly from the picture, incorruptible and with no axes to grind, are the two local guardians, Dr. Dafoe and Judge J. A. Valin. The Judge, a French Canadian Catholic, seventy-eight years old, courtly and distinguished, has wealth and fame. He came reluctantly from retirement and the delights of country life to try to bring harmony into the quintuplet situation. He is invaluable because of his prestige, his reputation for impartiality, his standing with both nationalities. Doctor Dafoe, professionally and as a human being, is a great man. He has not been overrated. His simplicity, his faith in people, his kindness are balanced by a solid intellect and a wise sophistication. He can hold his own among the bright lights of Broadway or in the darkness of a country road, speeding to a sick patient.

Hemmed in by journalistic ethics, good and bad, and by the unfailing human interest of five babies in a row, the newspapers have hardly touched the real story of the quintuplets. High-pressure promoters and modern methods have been spectacular against a community life a hundred years behind the times. Never was there a community less prepared, less eager for sudden wealth or public acclaim. This was a settled parish. Its English, Irish, and Scotch Canadians have an Old World acceptance of their life. The French Canadians live as their ancestors lived on their farms in Normandy—in exactly the same way and according to the same lights. The Catholic church has been their mainstay and their guide and has assumed most of the responsibilities of their lives, their philosophy, and their conduct. Progress has not touched Corbeil. There are no electric lights, no telephones, no radios. What the priest cannot do, the midwife can. Midwives like Mme Labelle, who has delivered some three hundred babies at from \$1 to \$3 a baby, are sufficient for most needs. The doctor is called only in emergencies. To have many children is a woman's greatest honor, and the neighboring parish of Bonfield boasts 150 families with an average of 10 children each. If women at middle age often look tired and ill, they accept their lot patiently. The men work in the fields and forests, the women in the kitchen. There is jollity in the evenings when the work is done, square dances in the winter. Mass on Sunday is drama enough.

The depression has confused the people, but the quintuplets—their wealth and their importance to the outside world—have confused them more. The government gave the destitute farmers seed, but during the celebration of the quints' birthday they were observing *le rogation*, an interval of prayer for the fruitfulness of the soil, for rain for the crops. When the rain came, they were not surprised. Corbeil stands solidly with the Dionnes, whose babies are a miracle but their own. Callander is divided. Former friends are enemies; every outsider is mistrusted. Oil has been struck, and the community will share the quints' prosperity. The Dionnes are secure financially; the little doctor has a stable income. Money is coming in from tourists. There are more jobs. But the peaceful pattern of the community

has been broken and cannot be put together again. The life held out to the "royal babies" has made the future of their young neighbors look pretty dull. Many an *habitant* mother would have been happier if the quintuplets had been four.

Correspondence

Insurance Is Confiscation

TO THE EDITORS OF THE NATION:

Investigators of life insurance have long been aware that there is something wrong with insurance. They agree that it could be sold far more cheaply than it is. In their efforts to determine the reasons for its costliness, they have generally dwelt upon superficial abuses, ignoring the basic cause that makes the malpractices and extravagances of the companies possible. In our article *How Honest Is Life Insurance?* we suggested, perhaps too briefly, the fundamental wrong in life insurance. We maintained that the companies confiscate your overpayments when you die.

We treated this contention as incidental to our exposure of how the companies prevent overburdened policy-holders from adjusting their insurance. The life-insurance apologists who criticized our article evaded the charges and took refuge behind actuarial legerdemain. It does not occur to these apologists that the excesses of the companies would be impossible were it not for the fundamental swindle in insurance. If there were no such swindle, it would not have to be balked by rewriting; when our critics admit that only some replacements fail to help the insured, they give the show away.

James P. Sullivan, trying to ride two horses going in opposite directions, says, "I am sympathetic with any effort to expose the outrages which are daily perpetrated upon the public by the life-insurance companies." He is confident that his position is invulnerable because his sympathies lie on our side, but his argument is really indistinguishable from that of the companies. He says:

The policy is so calculated that upon the death of the insured the company does two things in one operation: first, it pays to the beneficiary the amount of savings which the insured has piled up in the policy out of the excess charges paid by him while carrying the policy; and, second, the company pays such additional amount as is necessary to increase the total payment to the beneficiary to the face amount of the policy.

Mr. Sullivan thus contends that, regardless of when the insured dies, there is no confiscation; yet in the same breath he speaks of "excess" charges. What can Mr. Sullivan mean by "excess"? If the excess charges are returned, they are not excess; if they are not returned, they are confiscated. Professor S. S. Huebner, in a textbook on life insurance, handles the problem of reserve-bearing policies this way:

But keeping the premium the same from year to year, instead of increasing it in accordance with increasing age, involves the payment during the earlier years of a sum over and above that required to pay the current cost of insurance. In other words, during the early years the company is accumulating a fund out of excess premiums which will be drawn upon in the later years when the same annual premium becomes insufficient to meet the current cost. This overcharge in the yearly premiums does not belong to the company but is held in trust for the policy-holder at an assumed rate of interest for the purpose just indicated.

That is, you are saving within your policy, you are building

a reserve which may never be needed. If the companies returned the unused portion of the reserve, in the event of your death, along with the full face amount of the protection you completely paid for, their leveling process would be fair. With the present set-up, any attempt at saving succeeds in decreasing the amount of net protection in your policy. The company applies your reserve toward settling your policy when it matures as a death claim. In brief, your reserve becomes self-insurance.

One cannot, however, speak of "excess" and "overcharges" without sensing the reality of confiscation. When you make such overpayments you are preparing for future needs; this is demonstrated in your policy. Refer to the "Table of Non-Forfeiture Values" in your policy to get some indication of what you forfeit when you die. In the column called "Extended Term Insurance," the company frankly confesses, in years and days, the extent of your accumulated overpayments. That is, a ten-year-old ordinary-life policy, taken out at age thirty-five, will have accumulated sufficient overpayments to extend the full protection in the policy for twelve more years. If the holder of such a policy dies at age forty-five, the company makes a neat appropriation of his twelve years' advance payments.

The ingenious actuarial argument that all your cash is returned but that a portion of your protection is confiscated is hardly an extenuation. It does not matter to the policy-holder from which pocket the company picks his overpayments, or "excess charges." In either case, there is confiscation. The only way to forestall this confiscation is to rewrite. When the companies as a last resort reluctantly do it for you, they call it a rewrite and admit its advantages; when an agent does it, he is a "twister"—and twisters do not stay in the insurance business long. The twister suggests such changes to policy-holders; rare indeed is the policy-holder whose company suggests it to him.

Mr. Linton's amazement that the "old" charge of confiscation constantly recurs is unwarranted. The charge is as old as leveled premium policies. Sheppard Homans, compiler of the American Experience Mortality Table, an actuary who completely understood insurance and its purposes, appreciated the truth of the accusation more than sixty years ago. He said:

There is but one function for the institution of life insurance and that is protection. There is but one form of contract issued by a legal-reserve company that will give the insured a square deal. The companies are introducing a feature which, while it increases the cost of insurance, does not increase the protection. Therefore the companies should be compelled to open a double-entry account with each policy-holder. Then, in the event of the insured dying before the investment part of his contract became effective, the company would be compelled to return to the beneficiary, in addition to the face of the policy, that amount he had placed with the company for a purpose he had failed to live to realize.

Philadelphia, June 4

MORT GILBERT
E. A. GILBERT

The Need for Twisting

TO THE EDITORS OF THE NATION:

The interesting group of letters which you published in the June 12 issue of *The Nation* are characteristic of the insurance fraternity. Whenever a few of the many defects of the present life-insurance business are pointed out in print, the insurance brethren promptly bring down a shower of indignant protests, and by the use of sophistry, play on words, and hocus-pocus mathematical performances they attempt to convince themselves that there is really nothing wrong with the most perfect of all institutions.

The Gilberts have raised one of the most important prob-

lens now confronting the life-insurance business. Everyone knows that life insurance was tremendously overwritten in the prosperity days. The total amount of insurance written rose from less than fourteen billion dollars in 1909 to over ninety billion at the end of 1931. That this insurance was written on a high-pressure basis, and that the huge sums written were never commensurate with the true ability to pay, is evident from the tremendous lapse ratio which existed even in the good days. Even in the prosperous year of 1928, 1,165,952 ordinary policies, or 67.4 per cent of the total of 1,729,040 terminated policies that year, were surrendered or lapsed. As early in the depression as 1931 the number of ordinary policies terminated reached a record-breaking figure of 2,782,533, of which only 286,220, or 10.3 per cent, were terminated normally. In 1933, according to the New York Insurance Department, a total of 2,402,879 ordinary policies were surrendered or lapsed. The story of industrial insurance was, of course, much worse. These figures are startling. Millions of people simply cannot afford to carry the insurance they have been induced to buy. That many lapses could be avoided by a change to a cheaper policy and lower premium is obvious. There is a bitter need for "twisting."

President Linton of the Provident Mutual Life Insurance Company of Philadelphia does not deny in his letter that the companies seek to prevent "twisting." Insurance executives continue to use the worn-out alibi that they must do so in order to protect themselves against their agents. This theory is always perfect. Whatever is good in private life insurance is due to the mighty and high-salaried executives. Whatever is bad is due to the grabbing agents. But if the insurance companies cannot trust their own agents to protect the interests of their companies, how do they expect the rest of us to have faith in their representatives as protectors of the policy-holders' interests? May I call Mr. Linton's attention to the famous O'Farrell vs. Metropolitan Life Insurance Company decision, in which the court declared: "An insurance company which employs an agent of so little moral sense . . . ought not to be heard to plead exemption."

President Linton hides behind the hackneyed and exploded argument that policy-holders really have no reason to complain against questionable practices since whatever gains are made by mutual life-insurance companies "go into the funds from which dividends to policy-holders are drawn," and since "if there are any gains . . . they would inure to the entire group of policy-holders." This is a lot of boloney. Anti-social policies can never be a gain to policy-holders, and the salaries of insurance executives are guided by their production. Everybody knows that the dividends paid by mutual life-insurance companies come from overcharges. The stock company charges a lower rate of premium on non-participating policies in the first place. The mutual company charges a higher premium to start with and refunds the overcharges. As stated by Joseph B. MacLean, Assistant Actuary of the Mutual Life Insurance Company, in his book "Life Insurance," "the word 'dividend' is a misnomer, the 'dividend' being rather in the nature of a refund and not a return on investment as the term is generally used in commercial transactions."

To the impartial student it seems that the Gilberts have raised a pertinent issue crying for a remedy. Will our insurance executives continue to boast about their production records or will they help salvage policies which the depression is forcing millions of people to lapse, thereby losing the protection they tried for years to secure. The issue is vital and no amount of sophistry and hocus-pocus juggling will down it until it is settled right.

New York, June 7

ABRAHAM EPSTEIN,
Executive Secretary,
American Association for Social Security

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Hapgood Not Anti-Semitic

To THE EDITORS OF THE NATION:

In your issue of May 15 you published a letter from Joshua Trachtenberg in which he states that I, as well as Theodore Dreiser, am anti-Semitic. "Dreiser says, Kick 'em out. Hapgood counters, Why kick 'em out? Given half a chance they'll stop being themselves and become something else. The words are different but the meaning is the same. For both, apparently, the Jew qua Jew is undesirable."

To me the Jew is not at all undesirable; quite the contrary. He is to me an important element in our cultural life. I don't know how Mr. Trachtenberg got that impression from my letters. I merely said that Dreiser's attitude tended to preserve characteristics which he apparently doesn't like. I didn't join him in the dislike.

In the second of my letters I stated, to be sure: "The second suggestion you make, assimilation, is not only rational but is actually taking place, and would take place much more rapidly and go as far as is socially desirable were there no anti-Semites who by their intolerance and cruelty retard this process of natural union."

I want to call Mr. Trachtenberg's attention to the phrase "as far as is socially desirable." What I meant by that was that I wanted some adjustment by means of which the Jews would be freed from their present intolerable situation without losing their specific characteristics, which, as I said above, seem to me to be a very important element in our national life. It is not necessary for me to state the reasons why the Jews are highly desirable in this country; it is quite obvious.

Winchester, N. H., May 20 HUTCHINS HAPGOOD

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By HEYWOOD BROUN

THE American Newspaper Guild in its second formal convention covered a vast amount of territory. The swing in sentiment during the course of a year was unmistakably not only toward trade unionism but toward the industrial pattern. One year ago in St. Paul the question of affiliation with the American Federation of Labor was tabled without discussion on the ground that as yet Guild members had insufficient knowledge to make argument profitable. In twelve months much had quite evidently been learned by debate and even more by experience. It was interesting to note that the men and women who had been closest to the Newark strike were the most radical in their votes. Ninety per cent of all the delegates who came from within fifty miles of the strike city were for affiliation with the A. F. of L., for the vertical union, in favor of an independent labor party, and against the Wagner labor bill.

Unlike the familiar line-up in the national conventions of major political parties the Eastern guilds were progressive and the West on the whole conservative, with the exception of the San Francisco group. For the most part the issues were sharply drawn and intelligently discussed by both sides. Fortunately the convention decided in its first session to be open and to stay open. Some of the progressives feared at first that this might result in some check of frankness. Another argument made for closed sessions was that it might not be a good idea to let the publishers know the precise lines of Guild strategy. But a convention of more than a hundred delegates is no good occasion for the discussion of strategy in the first place. Moreover, the Guild was at its best when it discussed the broad general principles before it for consideration and at its worst when one group or another endeavored to gain advantage by sneaking up on its foes either inside the convention or beyond it.

Many of the guildsmen came to Cleveland prepared for a bare-knuckle encounter, but in the judgment of one who sat in a ringside seat there was very little hitting below the belt, and though some of the rounds were furious there was no point at which science was thrown to the winds and the ring intrusted wholly to those who wished to stand toe to toe and slug it out to a conclusion. This Cleveland conclave was far and away more exciting than the gathering at St. Paul. All the opponents of affiliation with the A. F. of L. voted, naturally enough, to have the National Executive Board estopped from taking formal action unless a two-thirds' vote in favor of affiliation were received in a nationwide referendum. But some of the most ardent trade-union delegates were also for the two-thirds rule, since they believed that any suggestion of a mere majority would hardly please fence-sitting guildsmen and guildswomen and might not be too good a recommendation to the A. F. of L.

One would need to be a prophet to predict the result of the vote to be held late this summer. My own opinion is that the Guild will vote for affiliation by a good deal more than the necessary two-thirds. The vote in the convention was a little less than that, but several delegates were under

instructions not to vote for affiliation until a referendum provision had been assured, and one block of three affirmative votes was absent from the floor when the roll was called. Moreover, most of the delegations were instructed before the decision of the Supreme Court was announced. Everybody admitted that this would have a tremendous effect in making a tie-up essential to the Newspaper Guild. The open hint of the publishers that the five-day, forty-hour week is in danger in the large cities where it now obtains will also do much to increase the union following.

It is significant that in every election for a national office where there was a contest the union partisans won. In the case of the presidency there was no contest in spite of the fact that the lone candidate named took occasion to tell the delegates that he would consider election a clear mandate to go out and agitate for affiliation. The entire leadership is for development along trade-union lines—a decision confirmed only after full and open discussion.

The publishers in their recent convention in New York immediately went behind closed doors to discuss the freedom of the press. The editorial workers invited full reports. To be sure, their deliberations went practically unnoticed by the press except in Cleveland. Evidently the publishers believe that the country is not interested in the fact that newspaper reporters have taken the first necessary steps toward complete unionism. But it is not impossible that on some later occasion the publishers may change their minds as to the importance of this development.

The discussion of the Wagner labor-disputes bill aroused long and animated argument. One well-organized group took the position that the measure threatens compulsory arbitration and that it is merely one more trap to catch the unwary. Another section of the convention was of the opinion that the legislation at the very least is a step in the right direction, while still a third segment was for the Wagner measure because the New York delegation opposed it.

My own opinion was and is that opposition to the Wagner bill is too doctrinaire. Not for a moment do I think that the measure will do everything it hopes to accomplish. In particular it offers very little hope to newspapermen, for the journals of the land are prepared to cry that their business is intra-state. The odds seem to be that the Supreme Court would support such a contention. Of course labor must depend on its own strength in the long run. That is just as true of the Guild as of any other union. But newspapermen cannot afford to pool their objections to the Wagner bill with those of the Chamber of Commerce and the Publishers' Association.

The first business of the Guild at the moment is to get into the A. F. of L. A year ago such a possibility seemed an extremely long shot. Much of the progress made by newspapermen away from isolation is the result of their own hard work and intensive study of the problems in hand. But the publishers helped. Their intolerance has been, among other things, a shot in the arm.

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Fascism in Pennsylvania

By AMY SCHECHTER

IN the steel towns of western Pennsylvania a fascist organization, openly advocating mob violence against militant workers and the leaders of the struggle against the steel trust, is being launched by the Americanism Commission of the American Legion under the name of the Constitutional Defense League. The league is headed by Michael P. Kane, present squire (magistrate) and former police chief of Aliquippa, the Jones and Laughlin Steel Corporation town. Kane has admitted that he is acting under the direction and with the full support of Frank N. Belgrano, Jr., national commander of the Legion, and Homer Chaillaux, director of its Americanism Commission. The creation of the Constitutional Defense League was nicely timed with the opening of the union-smashing drive announced by officials of the leading steel corporations at the meeting of the American Iron and Steel Institute held on May 24 in New York City. The potentialities of the league in connection with the mine strike which coal operators expect to break when the agreement expires this month are obvious.

Army Day was chosen for the presentation of the program of the new organization. At a meeting sponsored by the Veterans of Foreign Wars as well as the American Legion, held in Ellwood City, another Pennsylvania steel town, Squire Kane set forth the policy and aims of the League. Members of the Ellwood City Lodge of the Amalgamated Association of Iron, Steel, and Tin Workers who attended the meeting report that Kane, launching into a violent attack on the reds, among whom he included militant labor, the American Civil Liberties Union, Communists, people who do not attend church, the National Student League, and others, vehemently exhorted his hearers to take action: "Don't debate with them, it isn't a debatable question, punch them in the nose, take them for a ride, hang them if necessary!"

The steel workers' account of Kane's speech is corroborated by the report of the meeting in the Ellwood City *Ledger* and by statements made in the course of dissenting speeches by the Reverend Mr. Stevenson and Attorney Walter Braham, who followed Kane on the platform. The *Ledger* quotes Kane as saying: ". . . if we can't get laws, let's take the law into our own hands! When you hear them talk against us on the streets, take 'em out and hang a few of them! Let's nail a few of them to the mast! Take a punch at them!" The press report of Kane's speech also records that in calling attention to the anniversary and its significance he said that "we are now faced with another war—a conflict just as serious as that of 1918." Speaking of the struggle in the anthracite region, Kane, according to the *Ledger*, told of "3,200 Communists attacking the Luzerne County courthouse, whose only defenders were a small body of state police." "Whose blood will be spilled if this thing breaks out?" he asked. "Someone's will be spilled, and," he added significantly, "it won't be the blood of patriotic Americans. . . . We're going to battle them with the law if possible, with physical force if necessary." The Squire

praised the Hearst papers as "the only ones in the country fighting communism."

The fascist substance of Kane's remarks was so obvious that hot discussion was aroused even at this Army Day meeting. Subsequent speakers repudiated Kane's call to violence. The Reverend Mr. Stevenson said that he "was strong for a program of loyalty, but that he shrank from the aspect of violence that accompanied his initial acquaintance with the movement . . . that he was vitally interested in the league, but that he had been led to believe from editorials in the Hearst press that it was a fascist movement aimed at the suppression of all minorities." In the same issue that carried its report of the meeting the Ellwood City *Ledger* attacked Kane editorially for his speech as tending "to incite to mob violence," and for his advocacy of tactics which "would lead inevitably to suppression and persecution of all minorities—in a word, to fascism."

Picked by the Americanism Commission of the American Legion as state head of the Constitutional Defense League for Pennsylvania, Kane has qualifications for the job which would meet even Hitler's exacting requirements for a fascist leader. His native Aliquippa was an outstanding example of the feudally controlled company steel town until the spontaneous mass drive of the steel workers for organization in 1933 and 1934 broke through the terror there, and in Duquesne and other open-shop strongholds of the steel trust. Today Aliquippa has a lodge of the Amalgamated Association of Iron, Steel, and Tin Workers with between five and six thousand members, which supports the rank-and-file program in steel.

As chief of police of Aliquippa in the good old days, Mike Kane played a leading role in carrying through the company's repressive measures. I spoke with a number of workers who had known Kane in his chief-of-police phase. All agreed that he was and is a 100 per cent Jones and Laughlin man, and that he was noted for his brutality. He specialized in hounding the foreign-born workers, the Croatians, Poles, Italians, and others that made up the bulk of the employees in the plant.

"Mike Kane's the guy that really started the terror in Aliquippa," one of these workers told me. "He used to ride that motor cycle of his around like an Indian. . . . He'd ride up the hill into Hunkeytown and club the workers . . . actually he'd club them himself . . . he'd yell at them, 'I'll clean these hunkeys out and teach them respect for the law!'" Leading union men said that when Kane was chief of police, it was impossible to obtain permits for labor meetings of any kind. Meetings of fraternal organizations were broken up if pro-union sentiments were expressed.

Satisfactory as were Kane's activities as chief of police, the steel companies have even more relevant proof of his qualifications to head their fascist organization. When the steel workers of Ambridge across the river from Aliquippa walked out during the great wave of coal and steel strikes in western Pennsylvania in the fall of 1933, Kane took a leading part in the attack on the Ambridge strikers by 200

armed men recruited and deputized by the sheriff of Beaver County, Charles L. O'Laughlin, in answer to the demand of the Ambridge steel companies. In that encounter one man was killed, and hundreds of men, women, and children were wounded and gassed. Kane, who was a captain in the army reserves and a Legion official, aided William Shaffer, head of the Aliquippa Post of the Legion, in equipping and drilling those of the 200 who were recruited in Aliquippa, and headed the line of march over the bridge into Ambridge. Statements regarding Kane's leading role in the attack made to me by Ambridge workers who were there on the picket line are fully corroborated by the stenographic report of testimony given in the hearings on the Ambridge episode, issued as part of the "Proceedings of the Governor's Commission on Special Policing in Industry in the State of Pennsylvania."

In the testimony concerning the attack—described in the report by Jacob Seligsohn, counsel for the strikers, as "a well-planned military attack, carried out according to military tactics"—Kane's name repeatedly appears as one of the two leaders "who had units of their own . . . the other men were just in line" (sheriff's testimony); and as one of those who "had charge of saying when the men should fire" (*ibid.*). Another witness for the steel companies, Attorney Joseph Knox Stone, admitted that Kane "drew a revolver and was going to fire" at a worker armed with a club, but someone else got in ahead of him and filled the picket full of buckshot.

The "Proceedings" set forth in concrete terms the strike-breaking role assigned to the American Legion in the steel towns, a role which the steel companies, with the aid of the national officials of the Legion, are now attempting to render official through the organization of the Constitutional Defense League. Senator W. D. Craig, representing the sheriff before the Governor's Commission, testified as follows:

The sheriff received demands from, I think, every one of the industrial plants in Ambridge that he provide protection for them against the conditions that existed . . . also they demanded of him that he assign them deputy sheriffs, the wages of which they agreed to pay.

Following this Sheriff O'Laughlin testified:

I immediately got William Shaffer, who was commander of the American Legion Post in Aliquippa, which is my home town. . . . I asked Mr. Shaffer if he could get me seventy-five boys with military experience. He told me: "Charlie, I'll get you a hundred and fifty if you want them." He did procure seventy-five men, whom he gathered together in the Aliquippa police station.

Other testimony brought out that Shaffer was an employee of Jones and Laughlin, and that the sheriff was formerly chief of the Jones and Laughlin Coal and Iron Police.

I went to see Squire Kane in his office across the alley from the Aliquippa police station, and found him pretty much of a dumb cop. Obviously the crude blood-and-thunder phrases he uses are his own—the fulminations of the blustering policeman who delighted in riding his motor cycle up into Hunkeytown and cursing and terrorizing the population. The subtler fascist phrases he is fond of parroting are taken directly from the *National Legionnaire*, the Hearst-inspired, red-baiting publicity sheet which the national office of the Legion in Indiana has been sending to post com-

manders and other officers since the first of the year, and from Belgrano's and Chaillaux's speeches and the Hearst press.

Kane is probably well on in the fifties; he is of Irish descent. (With the fascist's peculiar logic he prefaced his most violent remarks on Army Day by the statement that his "forefathers came to this country to escape persecution in the old country.") He was wise enough to abstain from violent talk in his interview. He was, indeed, extremely high-minded, and brought out his best phrases about the need of rescuing misguided workers from "subversive influences," of combating "subversive propaganda" by "teaching the benevolent powers of the United States," and so on.

The significant items which I gathered from the interview were the Squire's statements that the Constitutional Defense League is "an activity of the Americanism Commission of the American Legion"; that he receives "instructions, help, and advice" from the national Americanism Commission, specifically from Homer Chaillaux; that one man has been appointed in each Legion post to push the organization of the league; that the league is arranging a series of mass-meetings throughout the state of Pennsylvania; that Frank N. Belgrano, Jr., was to assist these mass-meetings, and was scheduled to speak at Newcastle under league auspices on the following day.

According to information given by a Legion commander who opposes the growing fascist trend of the Legion leadership, and corroborated by official statements in the *National Legionnaire*, the support given the Constitutional Defense League units in Pennsylvania by Belgrano and other national Legion officials is in line with a plan for the nation-wide organization of such units by Legion posts. Members of these units are to function as minute men or storm troops, ready for instant action at the call of "either federal or local authorities" in the war on all and any "subversive influences." The organization of these units is part of the "Americanism" program which the sixteenth annual convention of the Legion, held last fall in Miami, went on record as placing in the forefront of Legion activities for 1935. The program also features a drive to push through the Legion-Hearst legislative plans; passage of these laws will mean the complete abolition of freedom of speech, press, and assemblage in the United States.

Contributors to This Issue

LOUIS FISCHER is *The Nation's* Moscow correspondent. His latest book on Russia is "Soviet Journey," published last spring.

AMY SCHECHTER is a labor journalist.

FLORENCE CODMAN is the head of the publishing house of Arrow Editions.

MARK VAN DOREN, well known as poet and critic, published last winter a novel, "The Transients."

MARY McCARTHY frequently reviews fiction for *The Nation*.

HELEN NEVILLE contributes poetry and reviews to various periodicals.

Summer Fiction

Recent American Fiction

Creating the Modern American Novel. By Harlan Hatcher. Farrar and Rinehart. \$3.

CREATING the Modern American Novel" is a somewhat over-ambitious title for this informed and competent handbook of recent fiction. Mr. Hatcher holds that no considerable body of significant fiction was created in America until the rise of the realistic creed abolished the respectable taboos, but beyond this he has few theories and devotes himself chiefly to fairly conventional estimates of a considerable number of writers. Dreiser is his hero. He writes a somewhat less enthusiastic chapter on the proletarians, adds a penultimate one called *Toward a New Romance*, with brief comments on Pearl Buck, Stark Young, Hervey Allen, and others, and ends hopefully with the conviction that since the public has come to accept any honest purpose in fiction, great things are to be expected of it.

Like almost all books on the same subject this one leaves the reader with a certain sense of dissatisfaction, which is probably less the fault of the author than of the enterprise itself. In the first place, any twenty-five-year accumulation of respectable and popular novels is bound to constitute an unwieldy mass of material from which it becomes extremely difficult to extract the relatively small amount of significance it contains. One simply cannot write literary criticism about, say, a hundred thousand pages of print, and the result is that one is bound to do no more than indicate the subject matter of various books and then pass very generalized judgments upon them. The result may be a useful guidebook to a vast accumulation, but it can hardly constitute very original or very penetrating literary criticism.

Take this matter of realism. Mr. Hatcher leans heavily upon both the word and the idea. Yet he does not anywhere suggest a very satisfactory definition of either—beyond expressing on various occasions a suitable contempt for those who admit the existence of certain "facts of life" while holding with Hamlet that it is not meet they should be set down. But the problem of realism is not solved when one has come to admit the duty of the writer to present the truth as he sees it. "My Antonia" and "God's Little Acre" were written by authors equally devoted to the realistic creed, if it means no more than that. So too, for that matter, was "Hudson River, Bracketed." The real question is not what is real, but rather—and each of these are separate questions—what constitutes the most interesting, the most typical, the most instructive, or the most novel aspect of reality. When, to take an extreme example, the proletarian novelist calls the novels of Joseph Hergesheimer "unreal," what he really means is that he considers the kind of people with whom Hergesheimer deals untypical, unimportant, reprehensible, and dull.

The insurgent American novel, says Mr. Hatcher, was a revolt against a creed among whose accepted articles were "the sanctity of marriage, the heavenly origin of the moral code, the infallibility of St. Paul, the depravity of Mrs. Warren, the utopian life of an American village, the altruism of big business, the superiority of the male to the female, the inevitability of progress, the good life on a Midwestern farm." Not only is that true, but it illustrates very well what is probably the best way of getting at the most important—though of course not fundamentally literary—differences between the various recent and contemporary schools of fiction. Mrs. Wharton is not a semi-realist, Mr. Dreiser a real-realist, and Mr. Dos Passos a super-realist. And when they are classified, as they often are,

on the basis of some such fantastic arrangement, all that the classifiers really mean is that the most passionate conviction of each was about a different set of things.

Of course, technically, literary criticism of a different sort is possible, but it is extremely difficult to produce about fiction in the mass, and it is hardly worth while except in the case of really distinguished work. Possibly a dozen novels written in America since 1900 merit criticism of the sort which has been given to Tolstoy or Henry James or Thomas Hardy. The rest had best be frankly treated for what they are—namely, documents for the study of the changing interests, enthusiasms, and convictions of the public to which they minister journalistically.

JOSEPH WOOD KRUTCH

Twilight of the Dolls

The Wolf at the Door. By Robert Francis. Translated by Françoise Delisle. Houghton Mifflin Company. \$2.50.

THE question whether the reading of fairy tales is a good thing for children has long occupied psychologists and educators, but it has seldom been raised in connection with adults. It is no doubt assumed that normal individuals over the age of twelve are little likely to be interested in, and therefore subject to the psychological dangers of, the impalpable world into which this form of literature introduces us. Yet no less a psychologist and educator than Havelock Ellis, explaining the enormous critical and popular acclaim with which this fairy tale for grown-ups was received on its publication in France in 1932, would have us come to the following startling conclusion: "If, as Jaloux has remarked, Robert Francis leads us into a world made up of 'fear of life and the individual's faculty of escape from that fear by fantasy,' we may perhaps think that 'The Wolf at the Door' is accurately adjusted to the needs of our troubled day." This statement, taken in conjunction with a bit of information to be found later in Mr. Ellis's introduction, makes this work seem important as providing an example of what is happening to the literary mind—at least in France, where it has received the Prix Femina and the approbation of most of the respectable critics in the country.

Almost the first thing that must be said about the book is that it is not French in mood or treatment; or rather that it belongs to a recent development in French fiction which seeks to soften the hard contours of the Latin imagination by importing a little fog and mist from the regions to the north. The greatest influence is that of Alain Fournier's "Le Grand Meaulnes," a work which stemmed from the Flemish wing of late nineteenth-century symbolism and which has owed its vogue in France to its strange hybridization of native realism and alien fantasy. From Fournier this young writer has derived both his diaphanous prose and the essential outline of his story. Alien also is the influence of Dickens in the broad and distinctly untraditional characterization of such figures as the dairyman Pamploux, the old gravedigger, the retired barge captain, and erratic Aunt Tirelo, who is like a French caricature of Betsy Trotwood. Add the Emily Brontë atmosphere in the nature descriptions, the Katharine Mansfield dialogue, the Lewis Carroll illogic in a few sections, and you have a notion not only of the variety of M. Francis's literary sources but of their consistently foreign origin. "The Wolf at the Door" is as far as anything can be from the great tradition of French literature, the tradition of *la clarté française*.

Cast in the form of the reminiscences of one of the three daughters of a poor dairyman farmer living outside Amiens in the period following 1870, the story passes back and forth be-

tween dream and actuality, the real world of hunger, cold, and brutal humiliation and the imaginary world of infantile wish-fulfilment. Scenes that a Flaubert or a Zola might have treated shade imperceptibly into fantasies out of Andersen and Grimm. The three little girls are nearly always without sufficient food or clothing but they still have their dolls. These dolls play an important role throughout—symbols, of course, of the illusion on which the world both of little girls and of men is founded. They die, one after the other, as a result of old age or dampness or sudden violence. But the sisters, as they grow older, are unwilling to give them a decent burial. And in consequence they themselves become hardly distinguishable from the colorless and eviscerated derelicts of their childhood. "In short," the narrator admits, "the Pamploux family looked more like dolls than human beings." Before it is all over it is necessary for the youngest of them to marry a wandering doll-maker, who of course turns out to be the lost son of a neighboring nobleman.

It would not be hard for an industrious psychoanalyst to supply such an interpretation of the mentality that lies behind this book as would cause some people to dismiss it from further consideration. But despite everything M. Francis is a very gifted writer. The scene in which the mad sister Emilienne tears apart the suit of armor, the portrayals of various provincial types, the vivid evocation of places are all admirable on the strictly realistic plane. They give evidence of a creative talent which only through some unhappy accident spends itself in children's games. It becomes necessary to look beyond psychoanalysis for an explanation of this case of arrested development.

M. Francis was twenty-five and a convalescent when he wrote this book, but neither of these facts is probably as significant as the information that he is a member of the group in Paris which signed the manifesto entitled "Demain La France." Mr. Ellis does not take the trouble to point out that this group, which is "opposed to capitalism and Marxism alike," is essentially fascist in tendency. To suggest in so many words that this young writer's limitations can be laid to his political affiliations is of course absurd. But the similarity between the direction of his work, which is backward to the childhood of the individual as the only true domain of reality, and the direction of fascism, which is backward to the childhood of the race, is enough to remind us once again that there is a correlation to be made nowadays between the quality of a writer's work and the quality of his political vision. It is in both cases the question whether he is able to give up playing with dolls. A refusal as a man, in the sphere of political action, is bound to be paralleled by a refusal as an artist, in the sphere of the imagination.

WILLIAM TROY

The Other Kind of War Book

Paths of Glory. By Humphrey Cobb. The Viking Press. \$2.50.

WHEN the sort of thing Mr. Cobb writes about actually occurs, war offices try to hush it up. When partisans must defend it, as in the case of the exemplary courts martial and convictions of Soviet and Nazi "traitors," it is overrationalized. Where Mr. Cobb shows his skill is that in his setting it becomes so unassumingly logical and inevitable, one of the most terribly plausible stories that have been made out of war material.

In a series of short, swift incidents Mr. Cobb sends the 181st Regiment of French infantry, worn out by three weeks of line duty and unrest, back into the trenches to lead a third futile attack on the enemy's impregnable hill. He gives just enough indication of the reckless bravado that lets the egotistical Assolant pass for an able commander to make the man an un-

affected villain. Simply but sufficiently he marks the general's victims as sympathetic, lost individuals: the courageous, intelligent Didier; Férol, the hard-bitten ex-legionnaire; Langlois, a resigned war-time soldier who wishes most of all to live long enough to see his unborn child. Against the nameless mass of the regiment he silhouettes them by their jokes, their superstitions, the contents of a letter home, an order well obeyed. Slowly he brings them into focus as doomed personalities. The effectiveness of the German counter-barrage stalls the attack before it begins, but Assolant, deprived of the ribbon he wanted for his coat and furious with shame, must have examples for cowards. A jealous lieutenant offers Didier; a lottery chooses Langlois; Meyer, a Jew, would start trouble, so Férol is taken. When the executions begin, credence awakes. Before then the enormity of the crime is too great.

The smooth, brisk method, unadorned and seemingly effortless, is completely adequate. Details of short conversations, of the private conflict between Roget and Didier, of the death of Paolucci, carefully selected to precipitate the impending climax, show professional talent. Imperceptibly, almost casually at first, the tension tightens, stiffening just before the stark, indelible account of the bombardment, straining and breaking as Assolant gets his fiendish way. The familiar scenes of war, the butchery, farce, petty politics, and careless humanity, are all here, furnishing a hideous background for a further evil. The effect is electric, the impact on the reader sharp and stinging.

There may well be more profound implications in the story than have been obvious to me. While any truth about war carries its own cruel evidence, Mr. Cobb, by sharpening his circumstances down to an example of the most stupid and brutal official license and by clipping his style of his own personal sentiments and point of view, seems very consciously to limit his purpose, willing to rest the more general question behind the making of wars. Unlike such books as "All Quiet on the Western Front" and "Good-Bye to All That," this one strips opinion from testimony. The story is the chief factor. This is, of course, simply the opposite method of treating the material. And Mr. Cobb realizes the essential possibilities. His novel is a strange, new, desperate tale of horror.

FLORENCE CODMAN

Little Tombstones

Time: The Present. By Tess Slesinger. Simon and Schuster. \$2.50.

AMERICAN short stories of the last decade fall roughly into three classes. First there are the stories which describe minutely and quietly the warm dulness of rural life or the fleeting agonies and entrapments of metropolitan life. Ruth Suckow, the early Thyra Samter Winslow, Albert Halper, and Jack Conroy are the chief practitioners of this type of fiction. Their stories move you like a bit of family history told at the supper table. They are case histories, lacking in imagination and devoid of insight, and their authors seldom have anything to contribute to the clarification of the terrific vaguenesses which beset us all. Then there are the hysterical autobiographies, compact of flamboyant fancy and verbiage. The stories of Sherwood Anderson, Conrad Aiken, and Thomas Wolfe belong to this group. There is honest feeling in them, but it almost never rises from the plane of impulse to that of large emotion. In the main they are small, tender personal reminiscences of the sort which we all easily recognize, but their authors are not sufficiently skilful to lift these reminiscences from the level of pleasant nostalgia to that of perennial even though intermittent torment. Wolfe's persistent

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piling up of relevant and irrelevant adjectives, to cite one example, does not conceal his inability to transform a bygone temporary worry into a lasting everyday ache. Finally, there are the sentimental he-man and she-woman stories, wherein the heroes and heroines yearn for the recapture of the elemental pleasures because of their dissatisfaction with the bogus refinements and false innocence of contemporary sophistication. There is a mawkish toughness in them, as in the stories by Hemingway, and a touch of simple-minded or dishonestly flippant heartbreak, as in the fiction of Kay Boyle and Dorothy Parker. Such stories are generally little more than table talk mixed with picaresque malice unredeemed by insight. Miss Slesinger's present collection of eleven stories belongs to the third group.

Four of the pieces—After the Party, The Times So Unsettled Are, Relax Is All, and The Friedmans' Annie—are very commonplace performances, and need not detain us long. The first is an overwritten report of a typical New York literary party, and the second is a high-toned tear squeezer describing the effect of the depression upon two American lovers. Relax Is All is the ancient tale of the city office girl who achieves spiritual relief on top of a horse and in the arms of an impartial roustabout. The Friedmans' Annie is the even more ancient tale of the servant girl who is torn between devotion to her mistress and love for her sweetheart.

On Being Told That Her Second Husband Has Taken His First Love is self-descriptive. It is weighted with a fine pain and a realization of the hollowness of sexual emancipation and the solid joy of the old marital stability.

There have been days when these four walls were so dear to you, . . . times when they hemmed you in until you felt like a caged animal. Today you rather wish they pressed in closer. But the walls seem all made of doors today. Now the boredom that weighted pleasantly yesterday is gone.

The story has considerable force, but it is not very clearly worked out, and the ending, where the laundryman instead of the sinning husband rings the door bell, detracts a great deal from the honest workmanship preceding. Mother to Dinner deals with the conflict between a young woman's love for her husband and her devotion to her mother, and is much more neatly written. Katherine longs to achieve the same dependence upon Gerald that she has always had upon her mother, "but she could never achieve this intimacy in his presence: when Gerald was with her when she thought about Gerald, it faded; there was more strangeness." The story is a bit too long, and the abrupt Dorothy Parkerish ending is a serious blemish upon it, but in general quality it is second only to the now celebrated Missis Flinders, one of the most delicate and searching abortion stories in our literature.

Margaret and Miles are intellectuals "with habits generated from the right and tastes inclined to the left." Margaret is furious at Miles for having insisted upon the abortion.

Hurt and hurt this man, her feeling told her; he is a man and could have made you a woman . . . giving up a baby for economic freedom, which meant that two of them would work in offices instead of one of them only, giving up a baby for intellectual freedom, which meant that they smoked their cigarettes bitterly and looked out of the window of a taxi on to streets and people and stores, and hated them all.

Missis Flinders, for all its good qualities, almost collapses at the end, where an irrelevant and improbable incident is dragged in in an attempt to intensify Margaret's bewilderment. The effect is the precise opposite.

The Answer on the Magnolia Tree, if cut by two-thirds, would form an expert portrait of the petty duplicities and hazy sexual yearnings of adolescent girls in a fashionable school. Jobs in the Sky is a stretched-out depression story, and The

Mouse-Trap, if heavily edited and drastically cut, could serve as a fairly faithful account of the slavery nurtured in business offices. White on Black tells what inevitably fails to happen when progressive educators try to wipe out the color line.

Miss Slesinger has a thin but real talent. Her sympathies are wider than Dorothy Parker's or Ernest Hemingway's, but she lacks their skill. She overwrites, and frequently she tries to hide lack of insight in verbiage. She is full of such meaningless phrases as "a lovely, hungry spring morning—perilously lovely." She is boisterously sensitive, and her discussions of sex are less enlightening than she seems to think. But she is a genuine short-story writer, because she has a good eye for the little tombstones of life. Her present book of stories, for all its faults, is far better than her novel, "The Unpossessed." In the latter she proved that the novel form was probably beyond her, because she has intellectual asthma. In "Time: The Present" she proves that the short-story form is well within her reach, but that she still has to learn that all inscriptions, even on little tombstones, are best when brief and clear.

CHARLES ANGOFF

Harry Met Me

Out of That Dream. By Katherine Newborg. Doubleday, Doran and Company. \$2.50.

THIS is the story of an American girl—granddaughter, perhaps, to Daisy Miller—during ten days of her twenty-second year. The action begins when she says goodbye to her parents at Cannes and it ends when she meets Harry, the young American she is to marry, at the pier in New York. Thus it is the story of an ocean voyage, of a ship which itself is a universe, and of the things which happen in that universe to Redley Barden's mind. For it is in the girl's mind that the action takes place; if she is descended from Daisy Miller, she has inherited something also from Daisy's creator, who while he lived was vastly more subtle than his heroines, but who from his grave would seem now to be giving them something of himself.

Redley's voyage takes her from one familiarity, Cannes, to another one, New York. But the voyage itself is so special an experience that it can only be presented in terms of dream, and it is in such terms that Miss Newborg very skilfully presents it. The ship is as vivid as it is unreal, as particular as it is timeless; and the persons on it who count for Redley are cellophane figments at the same moment that they build themselves solidly into the philosophy she is in the process of forming. Some of them say things of permanent importance to her, things she will never be able to put out of her head; but they say them, so to speak, without sound, as things are said in dreams. There is something queer, indeed, about this voyage from its start. The captain is so much the god of the vessel, or its Prospero, that he might well be accused of imagining the fabric of the tale. Fragonard, the millionaire with the pale face and the beautiful eyes from whom Redley learns so much of love, disappears as mysteriously as he appears; another god, it is thinkable, made flesh for Redley's benefit and torture. The child Nancy who is traveling alone and the fat purser who would rather be back at home with his wife—these, to be sure, are realists untouched by the dream, and they speak with flat voices which have never been tempered by metaphysics; but in their capacity as outsiders they serve only to define the dominant mood, which makes itself felt like a fever in the body of the book—a fever which will run its course and permit Redley to disembark and be recognized by Harry, but which while it rages is both palpable and subtle, both measurable and mysterious.

That the novel is obviously the work of a young writer is so far from constituting a defect as almost to constitute a virtue. Redley's discoveries are the discoveries of youth, but they come here with a kind of authority which the excellence of the writing does not wholly, perhaps, explain. It is as if one of Henry James's maidens had contracted his complexity and had begun to express it by herself. The result is an able and interesting piece of fiction, possessed at its center of a certain secret power which the language of criticism is ultimately impotent to describe.

MARK VAN DOREN

Adventures of a Waif

I Love. By A. Avdeyenko. International Publishers. \$1.50.

THIS first novel by a Russian who was once a homeless waif is autobiographical. Avdeyenko loves life, he loves work, and, on 6 pages out of 283, he loves his Lena too. Sex triangles are no doubt a broader common denominator than the care of blast furnaces at Magnitogorsk, but one's job and one's profession, one's understanding of the world and one's emotional reaction to it play a much larger role in the conscious activity of man than sex. Avdeyenko is a most normal human being. Love enriches his life, but he just loves, and does not think or talk about it through long chapters designed to grant vicarious stimulation.

At eleven years of age, just when the Czar was overthrown, Avdeyenko lost the last member of his big family and became a thief, a member of a robbers' gang which stole, picked pockets, executed burglaries. The first part of the book tells why. Avdeyenko has a talent for graphic writing and especially for impressionistic, heightened description of pain. He depicts a youth tortured by starvation, nakedness, drunkenness, the prostitution of a sister, the exile of a brother for strike activity, the death of grandfather, father, and mother—all this against the background of a black, damp, hopeless mining village in the Ukrainian Donetz coal basin.

Bolshevism does not change his existence. With an older accomplice, he robs a Trans-Siberian express. They quarrel over the loot. Avdeyenko kills his pal with a Finnish knife and is himself wounded in the battle. Skiers find him unconscious in the snow. He is cured in a hospital and then transferred to a commune for ex-thieves. Here the revolution gets its fangs into him. He resists. He yearns for freedom, cocaine, and adventure. He tries to escape but cannot because he is left free to. His education begins. He learns a trade; he learns to take pride in his work; he learns to love his comrades and his instructors. A new world grows up in place of his old world.

Magnitogorsk, greatest of Soviet construction projects, giant steel mill in the Ural Mountains, calls for engine drivers and assistants. Avdeyenko volunteers. The barracks are overcrowded and full of lice and bugs. Many workers desert. Accidents happen at the furnaces. Chaos reigns in the city that is rising from the Kirghiz pastures. Success as a locomotive driver becomes Avdeyenko's consuming passion. Nothing else matters. He cleans and polishes every part. He is at the depot long before hours. He undertakes the most difficult runs. Bolshevism injected the spirit of the football field into industry. Avdeyenko recreates that tense frantic atmosphere, that emotional investment which puts Five-Year Plans over the top. His efforts as a machinist are rewarded: the Communist Party accepts him into its ranks; the newspaper praises him; he is sent for vacation to a sanitarium. And Lena falls in love with him and he with Lena. What more could one man ask of life?

Today Alexander Avdeyenko—murderer, thief, train robber, and jail bird—is a best-selling Soviet author, a contributor

to the magazines and dailies, and a much-wanted speaker at factory meetings. He is one of a large number of ex-waifs whom the revolution has reclaimed.

The English translation of "I Love" is good. It was made and printed in the Soviet Union. Only the cloth covers of the book are of American manufacture.

LOUIS FISCHER

Miscellany

Blessed Is the Man. By Louis Zara. The Bobbs-Merrill Company. \$2.50.

Ripeness Is All. By Eric Linklater. Farrar and Rinehart. \$2.50.

Susan and Joanna. By Elizabeth Cambridge. G. P. Putnam's Sons. \$2.50.

The Poacher. By H. E. Bates. The Macmillan Company. \$2.

Jezebel's Daughter. By A. R. Craig. Doubleday, Doran and Company. \$2.50.

IN New York at the moment one hears that raw beef is all the rage, and that any noon in any semi-fashionable restaurant one may observe a delicate young lady munching a bloody sandwich on whole-wheat bread. As simple and as clear-cut as this food fad is the present taste for raw meat in the arts, which may be symptomatic of public health or of the final decadence of a rotting society, but which is, in any case, so fervent and so widespread that it might be known as the Vitality Cult. In literature, as in the other arts, the producers have responded to the popular demand with some genuine vitality of writing and some very synthetic substitutes. Prolifexy has been deified as a sign of fecundity, crudity as truth, and an overstocked sentence will be called Rabelaisian, while a minor cloacal anecdote becomes the stuff of life. In the midst of all this hothouse vigor a truly living novel meets its reader with a smart, decisive impact, and such is the astringent effect of Louis Zara's "Blessed Is the Man."

It is a first novel by a young writer whose short stories have already commanded some attention, and while it falls so short of perfection that it ends by being dull where it began by being breath-taking, it is still as exciting and as promising a first novel as one will find. The story itself concerns Jake Krakauer, a rough Russian-Jewish boy who came empty-handed to America in the late nineteenth century, and lived to be an important Chicago capitalist, covered with riches and years, possessions and progeny. But the tale of Jake the peddler's rise in the world becomes, in Mr. Zara's hands, more than the account of one man's successful acquisitiveness; it is a study of Jewish-American *mores*; it is a saga of Jewish-American life. To give his narrative this aura of secondary meanings, Mr. Zara has cultivated a remarkable prose style, a style which is adapted at every point to the story he is telling, to the class and race tradition which he sings. It is as simple and ebullient as Jake himself, yet in the rhythms of its sentences there sound the gay-sad cadences of the Russian folk tales, the interrogative intonations of Yiddish speech, the harsh, clipped accents of Chicago streets. As Russian, Jewish, and American elements were welded to form the character of Jake Krakauer, so their verbal symbols are united in unique and arresting prose. It is unfortunate that as the long novel progresses, its rich blood runs somewhat thin; as the Americanization of the immigrant proceeds, the narrative tends to pour into a conventional, success-story mold, and with the aging of the hero the prose loses its first effervescence. These are faults, however, which suggest not an inherent deficiency in Mr. Zara's powers but merely an over-ambitious project for a first novel. His is naturally an abundant talent, but it has not yet learned to sustain itself.

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"Ripeness Is All" is an English country farce with pretensions. Beside Mr. Zara's book, which it in no way resembles, its pale heartiness trickles away in mere verbosity. Mr. Linklater, it is to be feared, belongs to the pseudo-vital school of writing, and though his humor has been labeled "Gargantuan," "robust," "bawdy," and "virile" more times than is decent, he remains, in essence, a pompous young pedant. In this very minor comedy of errors he continues to find amusement in the sex joke. A rich old gentleman dies, leaving behind him a will which assigns his fortune to whichever of the descendants of his father will have produced the greatest number of legitimate children five years after the making of the will. The fun lies in the immediate procreative scramble which precipitates all the heirs into routine difficulties. A mercenary romance between a homosexual aesthete and a female golfer comes in for a good deal of attention, and is finally worried into dulness by the author's too persistent mockery. In general the over-manipulated plot is unwound with a mechanical and spiritless exuberance. If Mr. Linklater were not so determinedly literary, he might actually write well, for even in this, the poorest of his novels, there are passages of real splendor.

"Susan and Joanna" is a bad successor to Miss Cambridge's pleasant novel "Hostages to Fortune." While the earlier book was a study of one English upper-middle-class marriage, this is a study of two such unions, and it is sad to observe that in doubling her subject Miss Cambridge has halved her skill. Two girls grow up together in the Cotswold country—Susan, a simple, open-hearted child of nature, and Joanna, an egoistic, ambitious, scholarly young woman. Both marry, Joanna taking Susan's rejected lover, and the novel centers about the first uncomfortable years of their new lives. Taken on its own terms, the book is unsuccessful, since Miss Cambridge, though she writes around it with endless patience, can never define with any precision the relationship between the two girls, let alone their marital ties.

"The Poacher" is another English country novel which should be infinitely disappointing to anyone who is familiar with Mr. Bates's short stories. The style is excellent—pointed, modern, concrete, pared—yet it fails to enliven an incredibly uninteresting, old-fashioned story. It is hard to understand why a man of Mr. Bates's youth and gifts should have found so unprofitable an outlet for his energies as this leaden tale of a nineteenth-century poacher and his war with the world.

"Jezebel's Daughter" is a piece of fiction which will annoy any friend of the Soviet Union, or indeed any lover of fair play. Recounting the love experiences of a young British engineer and his wife in Soviet Russia, it feigns a lofty impartiality, while it loads the dice against the Communists in an unconscionable but fortunately bromidic and dull-witted fashion. Those who like their art straight had better stay away from it, but Mr. Hearst would do well to buy it for the *Cosmopolitan*.

MARY McCARTHY

Aristocrats Without Money

Tortilla Flat. By John Steinbeck. Covici-Friede. \$2.50.

THE subject matter of "Tortilla Flat"—five men living by their wits on the thin edge of society—is surely grim enough, but Mr. Steinbeck's approach to it is wholly in the light-hearted, fantastic tradition; it suggests such novels as "Vile Bodies" and "South Wind." Yet it is an approach somewhat justified by the temperament of the characters—who manage to preserve, in the midst of their various vicissitudes, an equanimity comparable to the author's own.

Economically, these five *paisanos* living in a squalid section of Monterey, in Southern California, may occupy one of the

most desperate positions in the social scheme, but in their aristocratic immunity to the problems of such a position they deserve to rank with those gay and moneyed bohemians whom we encounter in the novels of Evelyn Waugh. Such necessities as rent and food scarcely seem to trouble them; as long as they can "lift" an occasional jug of wine, or enough money to pay for one, they are completely happy. The rent problem is permanently solved when Danny, the hero, falls heir to two houses, in one of which he installs his friend Pilon. Pilon agrees to pay him fifteen dollars a month—an agreement which neither party takes very seriously, since both know that whatever money flows in Pilon's direction is sure to be spent on wine. After a night of revelry Pilon's house burns down; and he and the two friends whom he has invited to join him go to live in Danny's house, where the question of rent has not even a nominal significance. The question of food is permanently settled when they annex to their clan a genial half-wit, practiced in the art of procuring hand-outs from back kitchens. All these situations are handled in the spirit of farce—a spirit with which the men themselves would seem to be in perfect agreement. Only Danny succumbs, somewhat unconvincingly, to a fit of despair, but neither this nor his suicide, to which it ultimately leads, supplies a tragic note; they are merely occasions for getting drunk in his honor and singing bawdy songs.

Mr. Steinbeck's attempt to impose a mood of urbane and charming gaiety upon a subject which is perpetually at variance with it is graceful enough, but the odds are against him. The traditional "smart" novel—such as "Tortilla Flat" aims to be—generally deals with a stratum of society with which such a mood is wholly consistent; in doing so, it avoids a certain confusion. The theme of such a novel as "Vile Bodies" was, of course, that of utter futility; but it was the kind of futility which lent itself inevitably to satire or farce, and each of its situations, no matter how absurd or impossible it might be, was entirely convincing, since it never seemed to yield implications other than those which the author had found in it. The futility in "Tortilla Flat" is of quite a different order; its situations are rife with possibilities which, despite the amount of indifference to them manifested by Mr. Steinbeck and his characters, it is not always easy to ignore.

HELEN NEVILLE

Shorter Notices

Kneel to the Rising Sun. By Erskine Caldwell. The Viking Press. \$2.

The mental level of Mr. Caldwell's characters being what it is, interest in most of these stories centers in situation rather than character. Incapable of anything beyond animal acquiescence in their lot, the creatures of his world exist less through their responses than through their failure to make normal or expected responses. Perhaps this is most strikingly illustrated in the title story, in which the Negro friend of the starving share-cropper, peering over a hog pen in which a man is being devoured, remarks, "That looks like it might be your pa." In Candy-Man Beechum, which has both the atmosphere and the movement of an old folk ballad, the last words of the colored man to the sheriff who has shot him down for no particular reason are hardly more than a mild rebuke. Sometimes, as in the even more terrible story of the railway worker's widow who sells her ten-year-old daughter to a stranger for twenty-five cents, the vocal response is altogether omitted. The essence of Mr. Caldwell's technique, in other words, is a kind of understatement. But understatement requires always the building up of some particularly rare or monstrous situation, and not all the situations that Mr. Caldwell has chosen are

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as out of the way as rape and murder. Some of the items—The Walnut Hunt, Maud Island, Honeymoon—strike the jaded reader as rather trivial anecdotes. The real difficulty with Mr. Caldwell's method is that he can make his people interesting only by placing them in situations which require constant refinement or enlargement. Moreover, his method does not seem appropriate to his theme. The gruesome title story is only justifiable in terms of its theme, the moral and social degradation resulting from economic conditions in one region of the South. But it is seriously to be questioned whether a technique which throws so much emphasis on action at the expense of psychology accomplishes very much either for the short story or the South.

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Landgrabbing by the white man has run a similar course on all frontiers: the long hard trek, the seizure of land, the attempt to destroy the natives that cannot be exploited, the desperate struggle to hold and develop what has been won. Yet, as this novel shows, the regional differences are pronounced, subtle, and persistent, accounting for distinctions in customs, points of view, nations. The last convict ship went to eastern Australia in 1840, but the gaolward mind persisted long afterward. The hatred and resentment, the hopeless bitterness, of the "lag" mingled and contrasted with the hopefulness of the young adventurer spurred on by the promise of free land and quick riches. Yet even the latter had an obstacle to overcome that our own Western pioneers, who were largely the sons of pioneers, never knew. Australians were haunted, as they suffered the tropical heat and rains, cleared and settled the bush, by memories of the peace, the beauty, the ease of England. This nostalgia prodded them to success and threatened them with failure. It took Derek Cabell twenty years to conquer this torment and to learn that it accounted for neither his success as a settler nor his failure as a man. Written with insight and a bold, sure talent for narrative, "Landtakers" is one of those unusual books in which history and fiction make an impressive synthesis.

Fully Dressed and in His Right Mind. By Michael Fessier. Alfred A. Knopf. \$2.

This up-to-the-minute, grisly fantasy has already been likened to the work of William Faulkner, Dashiell Hammett, James M. Cain, Ernest Hemingway, and Hans Christian Andersen. Once this roll call of famous names has been intoned, the novel has been quite adequately defined. Mr. Fessier's story of the little old man with the green eyes who was the incarnation of evil and the lovely naked girl who was innocent beauty itself has not sufficient originality to demand adjectives of its own. That it lends itself so readily to comparisons is not evidence of its author's literary powers, but rather of his mimetic skill. Mr. Fessier is at all times the parrot-like student of his masters, never their equal. He has caught their tricks of style, but not their substance; so that the novel often seems like an unconscious parody. It must be added that the blend of symbolism and hard-boiled realism does not produce too successful a compound. The realism cheapens the symbolism, and the symbolism, childish as it is, makes the realism seem silly. It invokes an image of Al Capone playing with paper dolls at Alcatraz.

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HACKING TO JUSTICE

As the seventh article in his candid series on "F. D. R.—The Boss In the Back Room," Mr. Ward presents "Hacking to Justice on Gift Horses From Farley." It tells why Mr. Cummings's department runs—but gets nowhere. Mr. Ward's articles will be published in book form next fall. Meanwhile, Nation readers enjoy them now!

GIANNINI FIGHTS MORGAN

The proposed Banking Act of 1935 has been called the most important piece of banking legislation laid before Congress since the Civil War. The major issue, of course, is the control of social credit but there is a minor sectional and personal issue. It has to do with the question whether Morgan is to continue determining the credit policies of the nation as a whole. Opposing Morgan and the New York banking fraternity is the California banker, Giannini. Sassoon G. Ward explains the Giannini wrath and ventures a prediction or two as to the outcome of the legislation.

THE ARMY RUNS AMUCK

More than ever before our army has become a directing influence in times of peace. Its goal is a "civilian" officership of 220,000 plus 600,000 CCC boys plus a standing army of 165,000 guided by a military leadership in the European fashion. If you want that sort of thing, all right—but at least let Samuel Grafton help you recognize it so that you may prepare, mentally and physically!

THE INTERNATIONAL CONFERENCE OF AUTHORS

André Malraux, author of "Man's Fate," reports on the International Conference of Authors in Paris. The principal topic of discussion at the conference—"The Defense of Culture."

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was a strange creature—half man, half wraith—who because of his very eeriness was able to control the lives of his children during his own lifetime, and even, more or less disastrously, from beyond the grave. Two of the children leave home, another decides to enter a convent, a fourth drowns himself; and Richard's choice of astronomy as a life-work is to be taken as a desire to explore and master that mysterious night world which had so strong a hold on his father's destiny. With the death of his brother, however, Richard becomes aware of a world of reality beyond the assumptions of science, and in a sudden desire to be received into it declares himself to the girl with whom, in the words of one of the students, he has been "carrying on a mathematical flirtation." It is this episode which, ostensibly, is intended to bring the hero closer to life; actually, however, it is the most lifeless part of the book. While there are several good analyses of the state of Richard's feelings, Richard himself is only barely realized, and the girl has no existence whatever. There is enough originality and insight in Herr Broch's novel to warrant the expectation that he will some day turn out a much better one; but at present he seems, like his hero, to be at the crossroads between shadowland and reality, and to be attempting to resolve both by scientific analysis.

The Man Who Had Everything. By Louis Bromfield. Harper and Brothers. \$2.

In "The Man Who Had Everything" Louis Bromfield is to be observed at the nadir of his powers. This is the kind of novel that seniors in college dream of writing, sometimes begin, and, fortunately, seldom finish. An ungainly, embarrassing exposé of the soul is understandable and even touching in youth; the unveiling of Mr. Bromfield's mature form and spirit is only ludicrous. This stark piece of narcissism, which Bromfield palms off as a novel, has to do with a playwright who has success, money, adulation, women, but not happiness. In an attempt to retrieve the simple realities of existence this fictional character returns to France to seek his partner in a war-time romance. He finds her a matron, widowed, grown into the soil, too fine and honest for his soiled hands to touch, and returns to America to mate with one of his own kind, and live on, a bitterly unhappy but enlightened nomad. This fatuous tale is told in a style that is painfully platitudinous. Christ showed himself a neater prosateur when he asked his disciples, "What is a man profited if he shall gain the whole world and lose his own soul?"

Drama

EXCEPT in one respect "Earl Carroll's Sketch Book" (Winter Garden) is so thoroughly routine a musical revue that it would be difficult to find anything to say about it. It does seem to me, however, that this year Mr. Carroll's "most beautiful girls in the world" really are fresher, prettier, and more shapely than usual. I am willing to grant that this impression may be the result of our late spring, but whatever aberrations may have affected my judgment, no one who attends the performance can deny that at least I had all the evidence before me or that Mr. Carroll saw to it that nothing relevant was concealed. Though I was not embarrassed by repeated demonstrations of the fact that his girls had nothing to hide, I did blush slightly during a few of the patriotic scenes—especially during one in which Lincoln gives his blessing to a romance between a Northern girl and a Southern soldier, and during another built around a pacifist ditty in which logic is happily reinforced by the fact that "the manufacturers of munitions" rhymes neatly with "unfortunate conditions."

JOSEPH WOOD KRUTCH

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